

STATE OF CALIFORNIA  
CALIFORNIA INTEGRATED WASTE MANAGEMENT BOARD  
CONTRACTING WORKSHOP

COPY

BOARD ROOM  
8800 Cal Center Drive  
Sacramento, California

THURSDAY, SEPTEMBER 10, 1992

10:00 A.M.

Ronald J. Peters  
Certified Shorthand Reporter  
License Number 2780

OFFICERS PRESENT

Mr. Ralph Chandler, Executive Director

Mr. Dennis J. Meyers, Financial Assistance Branch Manager

Mr. Steve Sphar, Assistant Chief Counsel

Ms. Susan Villa, Staff Services Analyst

Ms. Connie Dunn, Staff Services Analyst

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PROCEEDINGS

EXECUTIVE DIRECTOR CHANDLER: Welcome to the California Integrated Waste Management Board.

My name is Ralph Chandler. I am pleased today to see that we have a pretty good number of folks here who have decided that they would like to take advantage of what we are offering today. I think it's going to be a good exchange, not only for our staff, which is new.

The Integrated Waste Management Board was essentially created as a new agency in 1990 and has spent the last couple of years not only receiving legislative appointees and gubernatorial appointees, but now putting our programs together. And last year was probably our first full fiscal year that we had sufficient line items in our budget for contracts. And it was a learning experience for all of us, both you out there who participate in the process as well as many of us here.

What we received as a result of that was a lot of suggestions on how our process could be improved, and that is what this workshop is all about today. We also frankly received a lot of questions just asking for explanatory information on the state contracting process itself in general.

There is quite a bit that is changing in state law with regard to how we administer contracts, how proposals

1 are received and how they are evaluated. And what we intend  
2 to cover today is both sides of that issue, the state  
3 requirements as well as in the afternoon session where we  
4 hope we can hear more directly from you on ways we can  
5 improve our process.

6 I think you will find, if you look over the agenda  
7 that we have, it is a pretty comprehensive agenda. But  
8 let's not feel that we can't deviate from that during the  
9 course of the day.

10 I'd like to make a few introductions if I could.  
11 Again, my name is Ralph Chandler. I am the Executive  
12 Director for the Integrated Waste Management Board.

13 And I'll start with the fellow in the center, who  
14 is Dennis Meyers. He heads up our Contracts Office.

15 And to Dennis's left there is Susan Villa, and she  
16 is also in the Contracts Office.

17 Connie Dunn.

18 At the end of the dais is Steve Sphar. Connie is  
19 also in the Contracts Office and Steve is in our Legal  
20 Office.

21 And so they will be taking representative parts of  
22 the agenda today and will aid in the discussion.

23 Let me just give you a little bit of background  
24 and then I will turn it over to Dennis. The Board has about  
25 a \$73 million budget. We have this current fiscal year, and

1 I am talking '92-'93 now, a budget in the neighborhood of  
2 \$17 million that you folks might consider a line item for  
3 contracts and professional services. Let me add, however,  
4 though, that much of that is in a program that is very  
5 specific to the oil program that involves grants that go  
6 back out to support the oil collection program that we have  
7 received as a result of legislation that will be implemented  
8 this year.

9 And if I could give you some specifics, I will try  
10 to break these numbers down so that you can see how the  
11 \$17 million is prepared.

12 The Used Oil Recycling Fund is about \$1 million of  
13 that \$17 million. The Tire Recycling Fund represents about  
14 \$2.4 million of that \$17 million, and that also involves  
15 grants to support collection centers for the return of  
16 tires, used tires, and keeping them out of the waste stream.

17 Then we have a Site Clean-up and Maintenance  
18 Account, which is a fund that is a result of a surcharge on  
19 the disposal of wastes. That goes into a separate fund that  
20 is set up for actually the litigation and correction of  
21 contaminated sites or sites that need corrective action.  
22 And that fund is very specific on how those dollars are  
23 used.

24 We do provide RFPs for engineering analysis and  
25 technical support services to supplement that program.

1           The bulk of our contract dollars that have the  
2 largest array of resources and services that we are looking  
3 for is in what we call the IWMA or the Integrated Waste  
4 Management Account. And currently our budget is a little  
5 over \$8 million for that line item. And that is the fund  
6 that supports most of the RFPs that you folks have seen.

7           It's my desire over time to staff up to transition  
8 from heavy use of contract dollars to have internal staff to  
9 do some of that work, and I think you will see that  
10 transition over time as the Board builds up its internal  
11 resources.

12           But for the current budget year, '92-'93, that's  
13 how our line items break out, \$8.3 million for the IWMA,  
14 \$6.1 million for the Solid Waste Fund, \$2.4 million for Tire  
15 and about a million dollars for Used Oil.

16           We will probably do as we did last year. You will  
17 see RFPs coming out later this fall and around the end of  
18 the calendar year through a competitive bid process and we  
19 will probably see that as more or less a single  
20 solicitation. I don't anticipate a lot of new RFPs being  
21 released in the spring or late in the fiscal year.

22           So the time is right, I think, for you all to hear  
23 from us today a little bit of how we interpret state  
24 requirements because there are some new requirements  
25 recently passed by the Legislature and currently on the



1 Governor's desk to deal with the minority and women-owned  
2 business requirements. We are going to cover that for you  
3 today.

4 And then probably the most important element, I  
5 feel, is the afternoon session where I hear and staff hears  
6 from you all as to how we can improve our process a little  
7 bit and be more responsive to your needs.

8 So, with that, I'd like to thank you again for  
9 coming and I'd like to turn it over to Dennis. Dennis,  
10 maybe a little later on this afternoon, at least, you can  
11 come out front a little bit and not be so formal and get the  
12 dialogue going.

13 But, please, let's get rolling. Thank you, again.

14 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Thank  
15 you, Ralph.

16 I'd like to cover a couple of housekeeping chores.  
17 In the first place, if anyone hasn't signed in in the back,  
18 we do have a sign-up sheet in the back. If you could try to  
19 do that, we are going to try to make copies of the sheets  
20 available if anybody wants them before you leave today so  
21 you can get an idea of who has come to this meeting. There  
22 is also a stack of handouts and folders in the back. If you  
23 haven't got one of those, you might want to pick one of  
24 those up. It includes a sample RFP in there and a couple of  
25 forms you might want to utilize after this meeting.

1           And the last point is we are having this meeting  
2 recorded and transcribed so that we will have a written  
3 record of the meeting for anybody who didn't attend. Or if  
4 you want to get a copy and refer to it later, you can have  
5 something to refer to.

6           We hope to provide a lot of information,  
7 particularly in this first session, that you may want to  
8 refer to later. So we are recording it.

9           If you want to get copies of that, please fax or  
10 mail us a request after the meeting or leave us a business  
11 card with a note on the back that you'd like a copy of this.  
12 We may have to charge you for that copy, depending on its  
13 length later. We don't know right now but there may be a  
14 small charge for it.

15           The point of the meeting and the transcripts is to  
16 provide a good record so that people will have good  
17 reference material and help you do your bidding preparations  
18 well in the future.

19           The format for this, and we tried to keep it as  
20 informal as we can given the architecture of the room here,  
21 but the first session this morning is going to deal with all  
22 the issues and processes that we go through to issue an RFP  
23 and award a contract and such, and give you an idea of what  
24 goes through on our side of the house when an RFP goes out  
25 and a contract is awarded.

1           So we hope to provide a lot of information to you  
2   and answer any questions you have that may need to be  
3   clarified or clear up a misunderstanding or a gray area that  
4   you have with certain processes that we go through or the  
5   state requires you to go through in order to get the  
6   contract.

7           Our plans for this session are we assume that this  
8   might take us all the way up until noon and possibly a lunch  
9   break. And the second session after this will be much more  
10   informal. We hope to come off the podium. It won't be  
11   recorded so that we can have a more easygoing discussion  
12   where we can get some suggestions and feedback from you of  
13   the types of things you think we should be doing and any  
14   improvements we should make and things we should be doing  
15   differently in the future to make it easier for you to bid  
16   and for us to evaluate your bids and your proposals that we  
17   have.

18           Since it is being recorded this morning, we'd ask  
19   that if you have a question, will you raise your hand, we  
20   will recognize you, and will you come up to the podium to  
21   ask your question. Please identify yourself and your firm  
22   you are representing so that we have a good record for our  
23   stenographer.

24           So, without further ado, I'd like to get into our  
25   agenda. The first item we are going to cover is a brief

1 overview of the RFP process.

2           The Request For Proposal process we follow is a  
3 typical process followed by a lot of government agencies,  
4 particularly suited for procuring items. And sometimes it  
5 doesn't appear to be ideally suited to procuring consulting  
6 service products or something called sometimes services of  
7 the mind because we are asking to make a lot of judgments  
8 and for you to provide a lot of information on which we can  
9 make some judgments that aren't always concrete or  
10 quantifiable issues.

11           So keep in mind that the process is required and  
12 it is not ideally suited to what the services are we are  
13 trying to acquire in every case. But we try to make the  
14 system as applicable and appropriate as possible.

15           There are about eight basic steps to the process,  
16 and I will run through them real quickly. And then the rest  
17 of the first session of our workshop really is to go into  
18 detail through these steps and into these different areas.

19           The first step is for the Board itself or staff to  
20 identify what its needs are in the form of contract or  
21 consulting services. Typically that comes from staff level  
22 identifying needs that it has to meet or requirements that  
23 it has to meet that it can't through existing staff or  
24 certain special tasks that need to be carried out that we  
25 don't possess that expertise for. It can come from the

1 Board itself or a recommendation from the public through the  
2 Board or staff.

3 But somewhere along the way these needs are  
4 identified in a specific way and presented to the Board, and  
5 which it decides which projects or needs should be met  
6 through contracting.

7 Once that has been decided, and the descriptions  
8 of what the product or services are have been decided and  
9 specifically spelled out, we move to an advertising phase in  
10 which the needs are publicized throughout the state through  
11 various means, but at least through the State Contract  
12 Register. This advertisement which culminates in mailing  
13 out of RFPs is the Board's statement of what it really  
14 wants. And it also lays out all the rules for how we are  
15 going to decide who is going to win the contract or get to  
16 carry out that task.

17 It really creates the level playing field amongst  
18 all the potential bidders because it has to disclose how we  
19 are going to make our decision, what requirements you have  
20 to meet, what deadlines there are to meet and what are the  
21 conditions you have to satisfy to be considered qualified to  
22 receive the contract.

23 Next there is a phase before proposals are  
24 received in which you have an opportunity to have questions  
25 answered or things in the RFP clarified. This can occur

1 through just a written question period or it can occur at a  
2 bidders conference or both. This is your opportunity to,  
3 after having digested the RFP, to go over it and say "I  
4 don't understand" certain parts of it or have us clarify  
5 issues that aren't clear to you at that time.

6 After this the bids are submitted or the proposals  
7 are submitted and the staff goes through an evaluation  
8 process. And the actual criteria and such are spelled out  
9 in the RFP, but the staff will have a certain amount of time  
10 to evaluate each proposal and give scores to each of them.  
11 And they will give scores according to criteria contained in  
12 the RFP.

13 When that is completed and staff has identified  
14 who is qualified, these things are determined and presented  
15 to the Board and those firms that are deemed to be qualified  
16 have their cost proposals that are opened, which are not  
17 known to the people who are evaluating them. So at that  
18 point, once we have decided who is qualified, the next step  
19 is to determine of those qualified people, who submitted the  
20 lowest bid.

21 So the first hurdle to get through, the first of  
22 many actually, is to be deemed qualified to do the work.  
23 And that's probably the most confusing and important process  
24 is deciding how to present yourself to the Board and the  
25 staff so that they can judge your qualifications for a task.

1           Once the cost proposals are opened and we have  
2           determined who the lowest qualified bidder is, and the Board  
3           has approved the award of that contract, we enter into a  
4           signature cycle in which a final contract is drawn up and  
5           sent out for signatures by yourself and returned to us for  
6           signature by our Executive Director.

7           And the final step is the approval of the contract  
8           by the Department of General Services. And once that is  
9           done, and they have their stamp of approval, the contract is  
10          then in effect and work can begin under the terms of the  
11          contract.

12          Now, this process is really designed to select a  
13          qualified contractor, not necessarily the most qualified  
14          contractor, but a qualified contractor who can do the work  
15          specified in the RFP to the standards the Board desires.

16          And going through the step of determining the  
17          lowest qualified bidder is a cost-saving step, to make sure  
18          we are getting value for our dollar and getting the  
19          qualified work. So the system we have to follow does not  
20          really allow us to pick out the most qualified person who  
21          has bid on the project. It allows us to decide who is  
22          qualified to do the work and of those who has the lowest  
23          price that they will charge the state.

24          That is a brief overview that the rest of this  
25          first session is going over in detail from the beginning, so

1 unless there are any questions right now, I will turn it  
2 over to Steve Sphar to give you an overview of the Request  
3 For Proposal development process.

4 ASSISTANT CHIEF COUNSEL SPHAR: Hi. I am  
5 Steve Sphar. I have a cold this morning so I hope my voice  
6 holds up.

7 I am sorry that we are set up in kind of a formal  
8 atmosphere here. We have to record the meeting so we have a  
9 record of it and so that people who aren't here can have a  
10 record of it, et cetera, so we are sitting up here by the  
11 mikes. I would prefer to be closer.

12 I want to encourage you folks to ask questions  
13 that you have. We do have a hand held mike that would allow  
14 us to get closer, but I'd probably feel the need to break  
15 into my Wayne Newton imitation --

16 (Laughter.)

17 ASSISTANT CHIEF COUNSEL SPHAR: -- and none of you  
18 should really be subjected to that. So we have this format.

19 If you have questions, we are going to want you to  
20 come up to the mike. I hope that doesn't deter you. This  
21 is your chance to get information as to how we do our nuts  
22 and bolts, so even though we are set up in kind of this  
23 formal process, please engage us and use us as you can now  
24 because this is your time to get specific information.

25 I am moving on specifically here to this item



1 number two, Request For Proposal Development. And I want to  
2 switch the order a little bit. I want to spend just a very  
3 little time on the second two items and then spend a little  
4 bit more time on the MBE/WBE Disabled Veteran Requirements  
5 because those are a little bit tricky and I want to walk  
6 through with you how we have set up our forms so it makes it  
7 easier for you to understand. It is a complicated  
8 requirement and I think we have set up forms that will make  
9 it easy. If I go through that step by step, hopefully, it  
10 will alleviate mistakes when you go to turn in proposals.

11 As far as actually developing the project from the  
12 beginning, some of the ideas come from statute. They are  
13 something that we are required to do. Some of the ideas  
14 started originally are identified by Board Members or  
15 Executive Staff. Those are then assigned to program staff  
16 and a large variety of the other ideas that begin, work  
17 concepts, are generated by staff because they are given  
18 programs to do and they have to have contract help to do  
19 that.

20 When that starts, the main document that will  
21 really be the impetus for that is a Scope of Work. I think  
22 the important thing for you to realize here is that the same  
23 people that are going to be evaluating your proposals are  
24 the people who developed the Scope of Work, regardless of  
25 where the genesis of the Scope of Work was, in statute or

1 generated in some other place.

2 So the same people that developed that Scope of  
3 Work and had the ideas and put it in there are the same  
4 people that are going to score your proposal. That's why  
5 it's important to use the question process.

6 The development of that Scope of Work will go  
7 through initial drafts at the staff level, review by the  
8 Board Members usually through the vehicle of committees and  
9 so on, so it gets a lot of review and it gets honed down,  
10 but it may not answer a lot of specific questions about --  
11 we may think we have answered the questions that have been  
12 clear but you may have questions as to what we really meant.

13 So you need to use the question and answer process  
14 whereby if you have questions, you write them in. And the  
15 same staff, again, that developed the work statement and the  
16 same people that will be evaluating your proposals will  
17 answer those questions, and that will be the chance for you  
18 to clear up any problems that we had.

19 That's basically what I was going to talk about,  
20 development on the Scope of Work.

21 Let me touch just briefly on the time given to  
22 respond. I think a lot of people were frustrated last year  
23 because of the short time span that you had. Part of that  
24 is due to the fact that the Board is just learning how to do  
25 this volume and this dollar amount of contracts. Also, our

1 Executive Director, who you met earlier this morning, Ralph  
2 Chandler, did not come on and was not appointed to the Board  
3 until last summer. So by the time he got a lot of  
4 programmatic things under way and developed, the initial  
5 work concepts and work prioritization was very late in the  
6 season and we didn't get a chance to issue out our RFPs  
7 until the spring, which is way too late to be trying to  
8 uncover money by fiscal year's end which is June 30th.

9 This year we are going to try to release RFPs sort  
10 of like a Contac time capsule, I guess. They will hopefully  
11 come out in batches that you will be able to respond to over  
12 the course of the year, not all at once, so that if you want  
13 to respond to more than one RFP, you will be able to do  
14 that.

15 Do you have an estimate on the number of contract  
16 items we might release? I know it's not definite, but do we  
17 have an estimate?

18 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS:

19 Forty.

20 STAFF SERVICES ANALYST VILLA: Forty.

21 ASSISTANT CHIEF COUNSEL SPHAR: Forty or so. So  
22 hopefully those will come out staggered over the course of  
23 the year, and thus you will have more time to be able to  
24 respond, you know, several weeks, the number of weeks that  
25 you will be able to prepare a quality RFP. We know a lot of

1 people got jammed last year and we want to avoid that. It  
2 doesn't help you and it certainly doesn't help us. We don't  
3 get people being able to prepare proposals enough to do the  
4 job that we know you could.

5 Do people have questions about that before I move  
6 on to minority and women?

7 MR. JONES: Yes, I do.

8 ASSISTANT CHIEF COUNSEL SPHAR: Yes, please,  
9 approach the microphone.

10 MR. JONES: Tom Jones with Jones and Associates.

11 I just wanted to clarify, will the notices for the  
12 RFPs be coming out directly from the Board or will they be  
13 coming out through the Department of General Services  
14 through their publication?

15 ASSISTANT CHIEF COUNSEL SPHAR: All RFPs are  
16 advertised through that Contracts Register.

17 MR. JONES: Okay.

18 ASSISTANT CHIEF COUNSEL SPHAR: So they are issued  
19 by the Board but the notice for them will always be in that  
20 DGS published document.

21 MR. JONES: All right. Thank you.

22 ASSISTANT CHIEF COUNSEL SPHAR: What I'd like to  
23 do is take a look at the RFP that you have here with you.  
24 Most of you are experienced state contractors and I don't  
25 want to insult you by going through this because a lot of

1 you know the specific requirements, but I want to show you  
2 how we have set it up.

3 The Board is very serious about this requirement.  
4 We bounce a lot of people for failure to follow the correct  
5 instructions here. Sometimes it is even for reasons which  
6 will seem like merely format reasons to a bidder, but the  
7 reason that we have things set up this way is two-fold. One  
8 is to comply with the specific requirements of the statute  
9 and the Department of General Services regs. Some of these  
10 requirements are set forth and some of the ways that you  
11 have to meet the requirements are set forth in law and we  
12 have no choice to change them.

13 But the other thing we want to do is take all of  
14 those, a pretty complex set of interrelating requirements,  
15 and put them in a meaningful format for you to be able to  
16 comply with them.

17 If you take a look at Roman Numeral III, is the  
18 section on minimum format requirements, and page three, so  
19 it is Roman Numeral III, page three, III-3, is where I would  
20 just call it DV/M/WBE. That stands for Disabled Veteran,  
21 Minority and Women Business Enterprise participation  
22 requirements. That is where the section starts.

23 So if you could follow along with me on that page,  
24 and simultaneously follow along with me on Attachment C,  
25 which is in the back of this. There are several attachments

1 to our boilerplate RFP, and Attachment C is the form that if  
2 you follow through and just take care to follow this form  
3 and fill it out properly, you will by default meet all of  
4 the requirements that are set forth in the instructions.

5 Most of you know that there are two ways to meet  
6 the disabled veteran goals. One is to get actual  
7 participation in all three of the groups, three percent  
8 state participation in disabled veteran category group,  
9 five percent women participation and 15 percent minority  
10 business enterprise participation. If you meet those three  
11 and are able to get actual participation, you have to fill  
12 out two -- I should say actually three certificates then.

13 One certificate is your certificate as a prime  
14 bidder that you met it by actual participation. The  
15 signature for that is on the last part of page six of  
16 Attachment C where it says Part D - Certification. You have  
17 to sign that document. That's your proof that the people  
18 you have gotten are actually the minority and women groups  
19 that you say that they are.

20 A lot of people fail to sign that and that can be  
21 a fatal defect in your trying to fulfill these requirements.  
22 So don't forget to sign it. That is your certification.

23 Our Attachment D here then is the certification  
24 you will have to have filled out and signed by each of the  
25 minority and women contractors.

1           So let me go over this again. If you are doing  
2 the first step, actual participation, make sure that you are  
3 going to have at least three of those signatures, your  
4 signature as the prime -- and actually, if you are a  
5 minority or a woman-owned business, and if you are doing  
6 more than five or fifteen percent of the work, you will have  
7 met that qualification there by signing as your prime.

8           Although I can't remember if you also have to sign  
9 again --

10           STAFF SERVICES ANALYST DUNN: Yes.

11           STAFF SERVICES ANALYST VILLA: Yes.

12           ASSISTANT CHIEF COUNSEL SPHAR: Okay. So you will  
13 actually sign twice, if that's the case.

14           But, in any event, you will need then also the  
15 certifications, which here is Attachment D for your minority  
16 and woman contractor.

17           If you aren't confused already, here is the  
18 confusing part. Disabled veterans. That law was done at a  
19 separate time and has a separate set of requirements. They  
20 don't sign the certifications. So if you are doing an  
21 actual participation, you have to get a disabled veteran,  
22 but they don't sign a certification. Instead, you have to  
23 go and check with the Department of General Services and  
24 make sure that they are on their list of certified disabled  
25 veterans.

1           If you follow through on page III-3 and throughout  
2 here, that is explained. And if you go through the  
3 instructions here in this form, you will also find that, you  
4 know, that that's the case. What you should probably do,  
5 and let's see if it is stated here, on Roman Numeral III-5,  
6 it is explained under subset D up here. This is where it  
7 explains that you have to sign a certification at the end of  
8 Attachment C, each of your minority or women has to sign a  
9 separate certification, which is Attachment D, but that no  
10 signed certification will be there for a disabled veteran.  
11 Those you have to check. We will check, but it would be a  
12 good idea for you to show the certification or letter of  
13 certification from the Department of General Services.

14           To make it even further more tricky, if you find a  
15 disabled veteran who is not yet certified, you can still use  
16 them if they get their application for certification in to  
17 DGS, actually the Office of Small and Minority Business,  
18 which is the office within DGS which handles this, by  
19 five o'clock of the bid deadline. So it's another way for  
20 you to get participation.

21           All of that is with respect to how you get actual  
22 participation. What you will do then, if you would like to  
23 take a look at the first page of Attachment C, mark the  
24 first box there that says that you are actually meeting all  
25 of the participation goals. And then down here please list



1 each of the firms that you are using to meet the goals and  
2 list their percentages here.

3 One of the requirements in the law is that you  
4 demonstrate to us in your bid your commitment to the five,  
5 fifteen, and three percent levels. This is how we set this  
6 up for you to do it. If you just fill this out you will  
7 meet these legal requirements.

8 Now, let's say that you either were not able to  
9 get contractors or were not able to get all of the  
10 contractors. Maybe you have a component of your RFP that is  
11 only going to be four percent and you have a minority  
12 contractor who can do that, but you are not reaching the  
13 full 15 percent and you weren't able to get another  
14 minority. So you can do a partial. If that's the case, you  
15 fill out B, Part B, show us what the percentages are for the  
16 contractors that you do have. But you still have to go to  
17 Part C and fill out Good Faith Effort. So all the good  
18 faith effort is done only if you do not meet all of the  
19 requirements for full participation in the first section.

20 And again, if you read the instructions and just  
21 follow through, this is all stated for you. For example,  
22 it's all stated in the actual instructions in Roman  
23 Numeral III. It is also stated in the instructions for the  
24 form Attachment C. It tells you which part to fill out  
25 depending on which method you are using to fulfill this

1 requirement.

2 I may be speaking fast or I may not be speaking  
3 clearly. Do people have questions so far on what I have  
4 said? Maybe we could handle questions on the actual  
5 participation first.

6 Yes, go ahead. Come on up and grab a microphone.  
7 I am sorry that this appears to be formal but I really want  
8 people to be encouraged to do this and to get the  
9 information.

10 MS. SOUCIE: Marie Soucie, MCSS, Limited.

11 I am already certified by Caltrans and BART. Do  
12 you consider that, if I attach a copy of my certification?

13 ASSISTANT CHIEF COUNSEL SPHAR: No. You are  
14 qualified to be the right contractor. The law says you have  
15 to fill out a certification.

16 It's, again, a confusing part of the law and it's  
17 because this area of law developed over time. First was a  
18 law that talked about the Department of Corrections and  
19 their prison construction contracts. And there was a law  
20 there that said that for those contracts they were going to  
21 have minority and women participation. That law, or the way  
22 that law was decided to be implemented, had certified  
23 programs. So the Department of Corrections has a  
24 certification program where you get on their list and you  
25 are qualified as a woman or minority contractor.

1 Caltrans, and I don't know if they do that just  
2 internally on their own or through a separate law, also set  
3 it up that way.

4 There was a later law that came by and said we  
5 want to do this for all state contracts. But the way that  
6 law was implemented was to say that contractors would sign  
7 their own certifications. And that's what the regs say by  
8 DGS. So even if you are certified someplace else, please  
9 fill out our Attachment D. That's what the law says you're  
10 supposed to do.

11 MS. SOUCIE: Will this be loaded in a database  
12 that shows that we are automatically certified once we fill  
13 out the attached forms?

14 ASSISTANT CHIEF COUNSEL SPHAR: It will not be  
15 loaded into any database that we have. Now, we try to keep  
16 informal records and keep updating our own lists that we  
17 give out to people about who minority and women contractors  
18 are, but it's not -- we don't download it into some specific  
19 database.

20 MS. SOUCIE: Do these forms have to be completed  
21 for each contract?

22 ASSISTANT CHIEF COUNSEL SPHAR: Correct, correct.

23 MS. SOUCIE: Okay. So one is not a blanket form  
24 for contracts that will come out?

25 ASSISTANT CHIEF COUNSEL SPHAR: You will have to

1 say that again?

2 MS. SOUCIE: This certification that I would fill  
3 out is not a blanket form for different bids that will come  
4 out?

5 ASSISTANT CHIEF COUNSEL SPHAR: Well, any bids  
6 from this agency.

7 STAFF SERVICES ANALYST DUNN: No.

8 ASSISTANT CHIEF COUNSEL SPHAR: Well, what's your  
9 thought?

10 STAFF SERVICES ANALYST DUNN: It's part of the bid  
11 package. It's a part of the bid package and part of the  
12 requirements in the proposal.

13 ASSISTANT CHIEF COUNSEL SPHAR: For each proposal  
14 that you would submit for us, correct.

15 MS. SOUCIE: Another question. The State  
16 Contracts Register, I subscribe to it. I have not seen  
17 anything from my industry. Does the state have a list of  
18 actual requirements that you may have for certain industries  
19 to bid in?

20 ASSISTANT CHIEF COUNSEL SPHAR: Well, OSMB keeps a  
21 list of different small business categories, and their list  
22 of minority, women and disabled veteran contractors is  
23 broken down into different services and goods and equipment,  
24 you know, types of commodity procurement, et cetera. So  
25 they have a breakdown.

1 But as far as officially from the Board, I don't  
2 believe so. I am not sure which industry you are in but the  
3 way we would issue our RFPs, we don't break it down into  
4 industry by industry. We will develop a scope of work and  
5 say that these are the types of things we need to have done.  
6 How will you, as a prime contractor or a prime using you as  
7 a sub, get together and do the work that we want.

8 MS. SOUCIE: But the state must know on an annual  
9 basis what types of contracts they need. For example, I see  
10 in the State Contracts Register a lot of needs, for example,  
11 for janitorial services. You don't have a list or a  
12 composite of, okay, we are going to need janitorial  
13 services, we are going to need construction services,  
14 et cetera?

15 ASSISTANT CHIEF COUNSEL SPHAR: Well, the  
16 Contracts Register is the statewide list, so every single  
17 contract, whether it's from the Department of Parks and  
18 Recreation, the Department of General Services, State  
19 Police, anybody who needs services or goods, advertises  
20 those through the State Contracts Register.

21 The only contracts -- when you say what does the  
22 state do, all we are interested in as this agency is the  
23 contracts that we will be issuing, and we won't be involved  
24 in all of those service industries, all of the service  
25 categories.

1 MS. SOUCIE: Do you know offhand if the state ever  
2 uses contractors for employment? For example, I own a firm  
3 that deals with employment.

4 ASSISTANT CHIEF COUNSEL SPHAR: It would be hard  
5 for me to tell you about statewide practices.

6 MS. SOUCIE: Okay.

7 ASSISTANT CHIEF COUNSEL SPHAR: A good idea would  
8 be to contact the people at the Contracts Register, which is  
9 published through the Office of OSMB. But as far as, you  
10 know, it's hard for me to answer questions outside the scope  
11 of the expertise that we specifically contract for.

12 MS. SOUCIE: Also, you made a statement earlier  
13 about qualified people or qualified contractors' lowest bid.  
14 What if we are bidding, and we are certified firms, what if  
15 we are bidding against a national who can, of course,  
16 underbid us in volume, in sheer volume? What happens there?  
17 Do you still give some preference to small business?

18 ASSISTANT CHIEF COUNSEL SPHAR: Well, let me do  
19 this, let me -- I'd like to focus on questions here right  
20 now with the minority and women stuff.

21 I can answer that question quickly. If you are  
22 registered, and this is a separate thing which I haven't  
23 listed to cover here, but there is a separate preference for  
24 small businesses. Are you aware of that?

25 If you apply and you qualify, again, call OSMB and

1 ask for the application for small businesses. If you can  
2 meet their standards and their proofs for being qualified as  
3 a small business, you will be entitled to a five percent  
4 preference on every bid that you put in. That helps small  
5 businesses compete with large businesses.

6 Any other questions on actual participation?

7 Okay. This is how -- oh, I am sorry, please.

8 MR. RAMOS: I am Jim Ramos and I am with James  
9 Ramos Associates.

10 I am confused about your requirement for the  
11 disabled veteran certification. You are saying that as a  
12 prime contractor I no longer need a copy of his  
13 certification to be included in the package?

14 ASSISTANT CHIEF COUNSEL SPHAR: Let me take a look  
15 at that specific requirement. The requirement, I believe,  
16 is that you have to be using a certified disabled veteran.  
17 Now, we can call over there and check.

18 Do we require in our stuff that they actually have  
19 that piece of paper?

20 (Thereupon a short discussion was held off the  
21 record.)

22 MR. RAMOS: You see, my purpose for asking the  
23 question is that there are some prime contractors that use  
24 the certification again and again and again without the  
25 knowledge of the disabled veteran. And to preclude that

1 practice, I mean each time the disabled veteran issues his  
2 certification, he says it is for a specific contract so that  
3 it is not used again and again and again.

4 ASSISTANT CHIEF COUNSEL SPHAR: Any contractor who  
5 -- I have heard stories about this happening. Any prime  
6 contractor who were to do that, in other words use a  
7 certification form from a disabled veteran in order to get a  
8 contract in which he has not really talked to that disabled  
9 veteran to actually use him in the project, is that the  
10 example you are making?

11 MR. RAMOS: Yes.

12 ASSISTANT CHIEF COUNSEL SPHAR: That would be  
13 fraudulent procurement of a contract, and that person would  
14 be subject to a lot of different penalties. So that would  
15 be illegal and would cause a lot of grief to that kind of  
16 contractor.

17 To answer your specific question about the  
18 documentation requirement, the requirement is that they be  
19 using a contractor that is actually certified, and the way  
20 our form is set up now, they are not required to actually  
21 give us the certification. I had mentioned that it might be  
22 a good idea for people to submit that so that we know that a  
23 person is certified, but Connie is telling me that they have  
24 to call and make sure the person is certified anyhow. So  
25 there is not a requirement that they actually submit that.



1           STAFF SERVICES ANALYST DUNN: We receive a list  
2 weekly of the new disabled vets that are certified by the  
3 Office of Small and Minority Business, and I check each  
4 contract for the disabled vet to make sure that he is on  
5 that list. If not, I phone to see if maybe his  
6 certification is in the works. And if it's not, then we  
7 don't count it.

8           ASSISTANT CHIEF COUNSEL SPHAR: Contractors who  
9 are doing that are really playing Russian roulette because  
10 your profit margin, I guarantee you, isn't enough to cover  
11 the type of damages that can be covered. For example, it  
12 has a treble damages provision. If you get a contract by  
13 fraud and then submit invoices on it, there is a Government  
14 Code provision that allows the state to recoup back treble  
15 damages of the amount that you received under the contract.

16           So I don't doubt and I have heard that those kinds  
17 of abuses have happened, and as they are found out, I think  
18 those contractors are going to be very sorry.

19           Are there any other questions on actual  
20 participation?

21           I think a couple of important things to realize  
22 about Part C of the attachment form are just a couple of the  
23 specifics. Every person who requests an RFP is going to get  
24 a list that the Board puts out that tries to help you meet  
25 each of the specific requirements. So the very fact that

1 you request the RFP, and I believe that the RFP states this,  
2 that they have met this first requirement -- the first  
3 requirement under Part C is that you contact this agency.  
4 You have fulfilled that by asking for an RFP because we are  
5 going to give you a list that is going to help you meet  
6 numbers two through seven. Number two is that you have to  
7 contact OSMB and identify for us that you did, in fact,  
8 contact them. Although we give you a list of contractors,  
9 our list is more helpful as a list of contacts to other  
10 agencies and organizations.

11 OSMB always have the most updated list of actual  
12 contractors, and you have to contact them anyway.

13 Now, here is where some people get messed up.  
14 Items three and four on good faith effort. The requirement  
15 in the law is that if you are going to show a good faith  
16 effort for a category of contractor, you have to take  
17 certain required steps. If you don't take these steps, we  
18 are not allowed to consider you a qualified contractor.

19 You have to talk to federal and state agencies.  
20 Number three is where you list those.

21 You have to contact local disabled veteran,  
22 minority and women business organizations. Four is where  
23 you list those.

24 If you go through this form and list each of these  
25 things, you will probably be reminded to go back and say why

1 is that in here, and the instructions will show you that  
2 stuff. But if you follow this form, you can't miss it.

3 We have to reject a very sorry number of bidders  
4 each year because they don't go through this stuff. They  
5 say, "Well, I contacted 20 agencies."

6 Yes, but you didn't contact a federal agency. So  
7 we have to reject it because that is a state law.

8 Also realize that if you are going to contact  
9 disabled veteran, minority and women business organizations,  
10 if you have gotten a minority contractor and you have gotten  
11 a woman-owned business contractor, so that you are trying to  
12 show a good faith effort on the disabled veteran, you had  
13 better show your contact was with a business organization  
14 that is a disabled veteran business organization. People  
15 start their efforts all at once and they contact the Chamber  
16 of Commerce and Minority Development Center and this and  
17 that, but if that is not the group that you are trying to  
18 establish a good faith effort for, you haven't met that  
19 requirement.

20 Advertisements is section five. We are going to  
21 have more time for people to do bids this year so you will  
22 be able to advertise.

23 In the supplemental materials which are at the  
24 very end of that whole packet that you have, we list a whole  
25 batch of groups that you can look to to meet these

1 requirements. We also list several advertising agencies  
2 that you can go to to try to meet this requirement, number  
3 six -- excuse me, requirement number five.

4 And then requirements numbers six and seven. If  
5 you are going to try and show a good faith effort, you  
6 better be able to show that you contacted a lot of people  
7 and show reasons why you couldn't use them. So that's why  
8 those parts are so long.

9 That basically is my presentation. I know it  
10 seems tedious, but there is a lot of complex requirements  
11 here that I tried to go over. So I can spend as much time  
12 answering questions on the rest of this as you want.

13 MR. CRANDALL: Tim Crandall with Kleinfelder.

14 I can see that especially in the documentation  
15 showing that you made a good faith effort to find the  
16 different subcontractors that it could be a bit subjective  
17 in terms of the review of the different bidders. You know,  
18 if you get for a particular RFP, you receive two proposals,  
19 and one has successfully gone through this process and  
20 identified or met their goals and the other one has  
21 apparently gone through the same process, contacting  
22 qualified organizations, and was not able to for whatever  
23 reason, maybe they had a different perspective on the  
24 qualifications needed, you know, how would you deal with a  
25 situation like that?

1 ASSISTANT CHIEF COUNSEL SPHAR: Okay. This  
2 requirement is a minimum formats requirement. You don't  
3 even get to be scored unless you have met this requirement.  
4 Once you meet the requirement either way, you are in the  
5 ball game. And at that point this requirement drops out and  
6 it is not used for further evaluation of your proposal. So  
7 then you will be scored and bids opened accordingly, and it  
8 will not further enter the evaluation process.

9 We don't forget about it entirely. We have the  
10 ability to go back and audit you and make sure that you did,  
11 in fact, for example, as Mr. Ramos pointed out, we have the  
12 ability to go back and check with the prime contractor to  
13 make sure that you really are using these people or that you  
14 really did use them on the project invoiced on the five and  
15 fifteen and three percent amounts, et cetera, you know, that  
16 they did that actual work for you.

17 So it's not forgotten but it's no longer part of  
18 the evaluation process.

19 Now, there are times when one person might be able  
20 to get actual participation and another person have to do a  
21 good faith effort. If one person in several bidders, and  
22 this came up last time, if most of the bidders are able to  
23 get actual participation and one person says "I made six  
24 phone calls and I didn't find anybody", well, we are going  
25 to look at that very stringently and tend to throw that out,

1 because it would be prima facie evidence to us that a lot of  
2 people can meet this requirement, that if they found people,  
3 why didn't you?

4 On the other hand, you might set up your proposal  
5 a certain way. You might come from an accounting  
6 background. Somebody else might come from a different type  
7 of analysis background. You may, one person, because of the  
8 type of their proposal, the type of expertise they bring, be  
9 able to find minority or women or disabled veteran  
10 contractors that can fit into their project and another  
11 person may not.

12 So if you are going to go on a good faith effort,  
13 you had better be able to show that you contacted everyone  
14 that you could and have reasons for why they didn't meet  
15 your needs. A minority contractor may be able to meet the  
16 needs of some other proposal because of the way they  
17 structure their proposal, but not yours because of the way  
18 that you do your proposal.

19 So it is a tricky discretion that we use. We use  
20 it vigorously. But anyhow, that answers your question about  
21 at what stage we make that evaluation.

22 That's all I have got.

23 Now, I think I am also going to talk about  
24 evaluation on the basis of other than the lowest bid. We  
25 get a lot of complaints about the fact that we have to use a

1 low bid. We have no choice about that. Well, we have some  
2 choices, but by the time it reaches an RFP stage, those  
3 choices have been made.

4 For most contractors, there are basically four  
5 ways that we are allowed by law and by General Services to  
6 award a contract. One is if you are specifically exempted.  
7 Some exemptions are in statute and the rest are in SAM  
8 Section 1233.

9 But if you are not a lawyer and we are contracting  
10 for legal services or if you are not an expert witness or  
11 one of the other exemptions there, you don't qualify for  
12 that. So by the time we go to issuing an RFP that decision  
13 has been made.

14 The second way on which we are allowed to base the  
15 award of a contract is sole-source exemption. If we feel  
16 that the type of contract needs that we have are so specific  
17 that there is only one person out there who has that, either  
18 because of special expertise or proprietary interest in some  
19 process, we have to justify that. Again, by the time we get  
20 to doing an RFP, that decision will have been made.

21 So then you have either an RFP or an IFB type of  
22 method. The IFB will generally be for just, you know,  
23 procurement of that kind of a widgets type of deal. So we  
24 are left with an RFP process.

25 In that process, there is two ways that we can do

1 it. One is a low cost bid and the other is a high point  
2 count. That is the method that contractors prefer because  
3 they get to show or shine. Under that method we would be  
4 allowed, and that's a state law method that contracting  
5 agencies are allowed to use, we rate you and then we just  
6 pick the person who gets the most points. And as long as  
7 their amount is within a reasonable amount, we pay that  
8 amount.

9 But we are severely restricted in our ability to  
10 use that method. The Department of General Services has  
11 some onerous requirements on that method. That method tends  
12 to dilute the strength of the five percent business  
13 preference. It tends to not result in the cost savings that  
14 General Services wants. So for a variety of reasons that I  
15 don't need to go into here, it's very onerous for  
16 contracting agencies to use that.

17 What that leaves us with is the last method, low  
18 bid method, where we take a look at all your proposals.  
19 First we make sure that you passed all the minimum format  
20 requirements, all the papers were in the right order and you  
21 did everything correctly, and then we evaluate you. Those  
22 who score above what we consider the passing mark are all  
23 thrown equally into the same shoe box and we open the  
24 envelopes and the low bid gets it.

25 That makes it difficult for people to sometimes



1 put together what they feel is a quality product for the  
2 cheapest amount, and it may not be what we would prefer to  
3 contract for, but it's what the state direction is. And it  
4 serves all citizens of the state well because it gets not  
5 the Cadillac, not the best performance, but it gets us a  
6 Ford that will get the job done for a lower price.

7 So we are really pretty much constrained into  
8 doing that by the time we have issued an RFP. A lot of  
9 people complain about that but those are the reasons  
10 basically why we do that.

11 Does anybody have any questions about that?

12 I don't pretend to think that you will feel good  
13 about that but that's what we are left with. That's all I  
14 have.

15 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Okay.  
16 Next I will turn it over to Connie to talk about bid  
17 submission requirements.

18 STAFF SERVICES ANALYST DUNN: Okay.

19 It is the responsibility of the bidders to see  
20 that all bid requirements listed in the proposal are  
21 included in their proposal. And one of the most important  
22 requirements I feel in your process is on Page I-2 where you  
23 see it says "Bids must be received by" and then we will have  
24 the time and the date.

25 And if you turn to the next page, there is a

1 paragraph called Deadlines. And a very important part of  
2 that says that "Proposals received after this time and date  
3 will not be considered and will be returned unopened". And  
4 that means exactly that. If your carrier is running through  
5 the parking lot at five minutes after four and the deadline  
6 was four, sorry. And there is nothing we can do about it.  
7 And so please, please, leave yourself enough time for an  
8 elevator to get stuck or traffic to be backed because we  
9 have to turn you away.

10 We had a lady in tears in the foyer last year, and  
11 I felt so bad, and she was like five minutes after the  
12 deadline. And all the effort and time and money that had  
13 gone into her proposal was just down the tubes.

14 So if you follow the instructions in the proposal  
15 and have it all together, you are going to be well off.

16 And the minimum bids, I won't go through it all,  
17 but you have to include a cover letter. It's all stated on  
18 these pages. That includes the name and address of the  
19 bidder, the name and telephone number of somebody that we  
20 can contact if we need more information about your bid, the  
21 name and title and address -- I won't go through them all.  
22 But they are all stated in there.

23 And on your small business preference, like we  
24 said before, you have to state very clearly in there that  
25 you want to ask for the small business preference.

1           Now, last year we had a bidder that asked for it  
2 and was certified, as I verified with OSMB, well, their  
3 certification had expired. And they had reapplied but they  
4 didn't tell OSMB that they were bidding on a state contract,  
5 so it was just going through the regular mail. Well, this  
6 was in like May or June and they were working on January  
7 certifications. So that bidder had to call OSMB and get an  
8 expedite on theirs. And by the time we were ready to award  
9 the contract, their certification was in place.

10           But that's something you need to be sure of if you  
11 are bidding on a state contract. And they will expedite it  
12 for you.

13           Then the proposal has two parts. It has the bid  
14 package, and as he just explained to determine the qualified  
15 bidder. And then it has the bid and cost proposal which the  
16 Board will select the lowest qualified bidder.

17           And the bid package has to include the things that  
18 are on Page Roman Numeral III-1, and it lists them all  
19 there, the overview, the methodology, the contractors'  
20 experience, like his management, his personnel,  
21 subcontractors that he is going to use. And then he can  
22 also have samples of written work. But please only include  
23 one copy of your sample. I had many phone calls last year  
24 where they said "Well, do I have to send 15 copies of my  
25 sample work because it will take a forklift to get it

1 there?"

2 Well, no, just one copy of each sample, but you  
3 can send more than one sample if you choose to.

4 And then you would have client references. And  
5 you disclose any conflict of interest if you had present or  
6 prior financial business relationship with the Board. And  
7 if your RFP is for consulting services, the bidder will also  
8 provide a current list of clients that might be subject to  
9 the Board's rules and what we are doing.

10 And then again you would also include your  
11 minority and women business things.

12 There is a bill on the Governor's desk right now,  
13 that I think Ralph mentioned this morning, that if it is  
14 signed, and yes we have included it in the packet there, but  
15 if it is signed, not only will you have to list your  
16 subcontractors with your fifteen, five and three percent,  
17 but you will have to give their name, address, phone number,  
18 I guess so that it will be easier for us to check. I don't  
19 know. I can't think of any other reason.

20 So that's basically the bid requirements. And as  
21 I say, they are all spelled out in the sample RFP. But just  
22 be careful that you don't miss one of them because we want  
23 all the bids to be certified and qualified that we can and  
24 we don't want you to put in all that effort and then not get  
25 through the door of the four o'clock deadline or whatever

1 the time frame is on this. Give yourself some time.

2 ASSISTANT CHIEF COUNSEL SPHAR: Let me add one  
3 thing. This bill, 3341, is the one that has the new  
4 requirements. It has been passed by the Legislature and it  
5 is on the Governor's desk. If the Governor signs it, which  
6 we will know in the next couple of weeks, we will  
7 incorporate all these requirements in with the instructions  
8 in the RFP. So they are not currently in your documents,  
9 but they will be in any documents that we release as an RFP.  
10 But this gives you an idea of what those new requirements  
11 would be.

12 STAFF SERVICES ANALYST DUNN: That's all I have on  
13 that unless there are some questions.

14 Tom?

15 MR. JONES: Tom Jones, again, with Jones and  
16 Associates.

17 This may come up later today, but what you said  
18 about written work, the previous written work, reminded me  
19 of the subject of confidentiality. Once responses to  
20 proposals are made, are those documents available to the  
21 general public, and if so, can parts of those documents be  
22 made confidential such as prior products that were written  
23 for private companies that would be considered  
24 anti-competitive or something like that?

25 ASSISTANT CHIEF COUNSEL SPHAR: I would have to go

1 back. I can give you the general answer under the Public  
2 Records Act, but let me see what we say about it in our RFP.

3 I guess what we say in the RFP is we put people on  
4 notice that there is the Public Records Act. So if you  
5 choose to give us pieces of work that you have a proprietary  
6 interest in or that are protectable under the Public Records  
7 Act for some other reason, and one reason is any Evidence  
8 Code privilege, and a trade secret is one of those, then you  
9 can make that claim of confidentiality and we will do the  
10 best we can to protect that.

11 However, anything you turn over to us, we, as a  
12 state agency, have to follow the Public Records Act, and if  
13 someone makes a request to see that, we have to make our  
14 determination as to whether you meet the legal requirements  
15 for that item being an actual trade secret or otherwise  
16 privilege. So you run a risk if you give us something like  
17 that. If you are confident that it meets those legal  
18 requirements, submit it and make your claim of  
19 confidentiality and we will try to protect it.

20 If you have other works that you do not have a  
21 proprietary interest in or otherwise a trade secret  
22 privilege, you may choose to submit those because anything  
23 you do submit does run that risk of disclosure.

24 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Okay.  
25 If there is no other questions, we will move on to the last

1 part under Item 3. What Connie described was the minimum  
2 requirements meaning these are minimum materials and things  
3 we need to have delivered to us by a certain deadline so  
4 that we can conduct our evaluation process. And that's the  
5 basis for rejecting anybody who didn't satisfy those minimum  
6 bid requirements simply because we really do not have an  
7 adequate basis to evaluate your proposal and therefore we  
8 couldn't consider you. We can't consider things delivered  
9 late because that is giving unfair advantage to somebody.

10 What I'd like to move into now is proposal  
11 evaluation criteria and weighing which is the actual  
12 evaluation process that staff goes through to determine who  
13 is qualified. This is layed out in the RFP and it's the  
14 format. If you want to look on our examples, it is actually  
15 on Page Roman Numeral V-2 is the sample of evaluation  
16 criteria. And this is sort of the ground rules of how we  
17 will decide if somebody is qualified or not.

18 And I know we have heard from quite a few of you  
19 that what we have provided there generally isn't specific  
20 enough to give you a good enough clue about it, but I am  
21 going to sort of go through how we derive those and what  
22 they are getting at. Maybe it will make it clearer to you.

23 The criteria that is listed there is applied to  
24 your proposal and the team you promote. We don't apply this  
25 criteria to individual firms. We have to limit ourselves to

1 how you have proposed to actually do the work, whether it be  
2 just your own firm or you and subcontractors and you apply  
3 it to the actual task that you proposed different people,  
4 even as individuals, to do. So we look at the proposal  
5 itself which you have told us and the team you have  
6 presented and we apply this criteria.

7           So you may have what you feel is an outstanding  
8 firm working in one area, but if we feel that the rest of  
9 the mix of subcontractors and tasks isn't right, you will  
10 suffer there. So we don't look at firms as individuals but  
11 we look at the team that is proposed and whether or not they  
12 match the task you said they are going to be carrying out.

13           Now, our objective in going through the evaluation  
14 is to make sure that we get the best product at a reasonable  
15 or low cost. And sometimes, if our criteria is less  
16 specific or less layed out, that allows us a little more  
17 flexibility in judging that because this process is really  
18 staff's judgment of your qualifications to do a particular  
19 project.

20           It also gives us flexibility to respond to what we  
21 have received. If we have a situation where nobody quite  
22 gives us a brilliant or great answer to a certain task, that  
23 allows us a little flexibility if we haven't been overly  
24 specific in an area to give points where they are allowed or  
25 where it's due.



1           Generally, just to give you some of my insight  
2 from what I have seen, the three of us have sat in on nearly  
3 all the evaluation meetings staff has had, let me give you a  
4 little insight into what staff is doing when they are  
5 examining your proposals and weighing the scores.

6           Staff is generally, in our opinion, fairly  
7 conservative for a number of reasons. Particularly when we  
8 have lots of bidders, we can afford to be very critical and  
9 conservative of the proposals we get to try and, you know,  
10 get the best possible proposals to be quote "qualified."

11           Staff has to assume, because of the low bid  
12 process, that whoever they say is qualified, you have to  
13 assume will be the contractor. So you have to assume that  
14 anybody you give a passing score to we are going to have as  
15 the prime. And that way staff makes sure or should be  
16 making sure that anybody they find to be qualified is a  
17 contractor that they can live with and they can work with to  
18 do this project.

19           This part of the process is typically solely  
20 within the agency's discretion. It's really seldom if ever  
21 an issue for protest is upheld for somebody to question  
22 staff's actual evaluation that goes through this.

23           So obviously it behooves you a great deal if the  
24 criteria is unclear and you can't interpret it correctly, to  
25 use the question and answer period and the bidders

1 conferences to try to clear up anything. If it's really  
2 unclear what or how we will be scoring in a certain area on  
3 a certain project or a certain task, it really behooves you  
4 to ask questions and to try to get us to be more specific if  
5 you don't feel we are clear enough. And that way you can  
6 tailor your proposals to our criteria and to the task that  
7 we have asked for.

8 Now, on Page V-2 is our generic criteria  
9 worksheet. This is sort of the starting point that most of  
10 our staff begin with to develop their own criteria. And  
11 each contract manager, as he develops his RFP, has to tailor  
12 this scoring sheet area to their own needs and perceptions.  
13 And so they are going to vary somewhat.

14 Some managers stick straight with this format and  
15 just vary the points. Some add additional criteria. Some  
16 of them are more specific. And depending on the project and  
17 how well staff knows what they are looking for, we can have  
18 criteria that is specific as to the exact type and  
19 educational background of the staff that we want on the  
20 contract to something less specific.

21 So this is the starting point. So what I'd like  
22 to do is go through this generic proposal scoring sheet just  
23 to kind of give you a picture of what it is all saying and  
24 what we are trying to do and how we are trying to grade you  
25 sort of on a general basis.

1           So I'd like you to turn to Attachment A, following  
2 Page V-2. The whole page of this scoring sheet is for staff  
3 to come up with a quantitative measure of the proposers'  
4 ability to perform the tasks layed out in the RFP.

5           In the first category, overall approach and  
6 organization, this is the category which staff judges the  
7 ability of the proposer to respond to directions and produce  
8 a quality product. And we have areas like format and  
9 approach and understanding, addressing all items, clarity.  
10 This is really just a general indication of your ability to  
11 follow the directions of the RFP, whether you understand the  
12 issues raised by the project we have described and whether  
13 you can produce a quality product to us. This is kind of  
14 your first appearance to us, our first impression as to how  
15 well you have provided this document.

16           We have had questions in the past. We don't weigh  
17 these in the back room and give more points to the heavier  
18 ones. Glossy finish doesn't give you more points. It's  
19 really the clarity with which you present yourself in the  
20 projects and things like that. And it give us, you know, a  
21 pretty good first picture of what kind of output and  
22 products you get. We are assuming that you are going to put  
23 your best foot forward in trying to get a job. You know, we  
24 wear our best suits to interviews. This is your interview  
25 so we assume you have got your best suit here.

1           So if things are sloppy or unclear and so forth,  
2 you don't look like you really understand the issues  
3 involved, then this is our chance to score you down because  
4 it looks like you don't really have a good picture of what  
5 we want and what we expect to have done.

6           Now, the second area, qualifications and  
7 resources, on our sample sheet here, it's the heaviest  
8 category. We have got the most points assigned to this.  
9 But it isn't always going to be the case. I'll get into  
10 weighing later after we go through this.

11           This is where we judge the ability of your team  
12 that you have proposed here to do this work. We have to  
13 judge you on the information you have given us in this  
14 proposal. We can't -- does anybody have a question?

15           No. We can't read into it things that we are  
16 supposed to know but we don't know. You have to tell us  
17 exactly who is doing the work, what their background is, and  
18 things of that nature. We are looking for things like your  
19 staff's knowledge and background for the project.

20           In some cases under the requirements, we might  
21 have indicated whether we want specific backgrounds, and in  
22 some cases we don't.

23           We want your experience with similar projects.  
24 And tell us what you have done in the past that relates to  
25 this project. You know, big weighty resumes about what

1 wonderful work you did in the energy field in Florida, if it  
2 isn't applicable to this thing, may not carry much weight in  
3 our proposal. And we will be looking at your expertise in  
4 this field. We are talking about in the RFP that we are  
5 concerned with.

6 And then, of course, we have a sort of a catch-all  
7 category, abilities of staff to conduct the necessary  
8 research with proficiency and accuracy. This is where we  
9 can make some kind of judgment based on the examples you  
10 have given and the types of work you have done in the past,  
11 and on our overall confidence level in what you will be able  
12 to do for us.

13 So the qualifications and resources are really  
14 where we have to put a lot of weight and a lot of emphasis  
15 to make sure that the team we are hiring, we are essentially  
16 hiring additional staff for the Board, this is where we get  
17 to judge and score you according to the quality of the  
18 people you are proposing.

19 And it's come up in the past in questions before  
20 that, "You know, I put together a nice team, but there was  
21 this one section, one group of people or one task you didn't  
22 cover so well that I can go back later on and I will get  
23 somebody else to do that job." We can't do that. Once you  
24 have proposed to use a specific team for a specific job,  
25 that's who we have to contract for. We can't mix and match

1 staff and subcontractors after we have agreed to award a  
2 contract.

3 If you would put yourself in the shoes of the  
4 losing bidder, where somebody else was allowed to change  
5 around the tasks and the staff assigned and the  
6 subcontractors after the Board awarded it, that's a grounds  
7 for a protest, because we are no longer awarding the  
8 contract to the team that was specified in their proposal.

9 So once you have specified a team to do something,  
10 we have to stick with that. We can't make changes with that  
11 after it is awarded just to fine tune it. So we have to  
12 grade you solely on that team that is there. So we don't  
13 have a lot of flexibility in that area.

14 The third area is methodology. If we layed out  
15 the tasks in the project we want clearly and succinctly  
16 enough that we think we can get a team developed just to do  
17 that one task, this is where we are allowed to judge the  
18 feasibility of the way in which you propose to accomplish  
19 those goals. Sometimes we can give you very specific  
20 processes we want you to go through and sometimes we just  
21 give you an objective, a type of study that we want at the  
22 end.

23 And this is where we judge the methods by which  
24 you have decided or are proposing to accomplish that  
25 objective or meet those goals.

1           Sometimes this methodology section and what we  
2 expect here can be vague. We have, you know, two kinds of  
3 contracts that we would ask for that staff is developing.  
4 One kind can be where we may have waste management  
5 specialists who are experts in their particular field of  
6 waste management or recycling, but they are asking for work  
7 to be done outside of their area of expertise. We want a  
8 survey done, for instance. Our staff here are not expert  
9 surveyors.

10           The market development people are market trend  
11 analysis people, so to speak, and they want to hire that  
12 expertise. So they may not know the best way to survey  
13 manufacturers, for instance, but we know we want to find out  
14 what the manufacturing community thinks about a certain  
15 issue.

16           So we are issuing an RFP that just specifies that  
17 we want a survey done. We are asking you to propose to us  
18 the best way to carry out that survey. So that actually  
19 covers quite a few of the areas that we have where we are  
20 not going to be overly specific about how we want you to  
21 carry out the task. We just have an end product of an  
22 objective in mind, and it's up to you to bring forth the  
23 expertise to tell us the best way to do that.

24           And then, of course, this methodology section in  
25 the criteria allows us to judge whether we think what you

1 have said is the best way is the best way. If you propose  
2 something that we just have no reason to believe would  
3 produce a quality product, we can score you down in this  
4 area.

5 Another type of a contract we might have is where  
6 we are asking for something.

7 You have a question?

8 MS. BROWN: Good morning. Susan Brown, J.D. Franz  
9 Research.

10 Is everybody else on two instead of three and  
11 three instead of two?

12 (Yes's.)

13 MS. BROWN: Okay. Then I'd just like you to  
14 clarify when you said that it was the heaviest weighted on  
15 qualifications and resources, my information here says that  
16 the maximum is 25 points as opposed to 30 points on  
17 methodology.

18 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Well,  
19 I was mistaken, then. Methodology, yes, in the example, you  
20 are right.

21 MS. BROWN: So it is 30 on methodology and 25 on  
22 qualifications and resources?

23 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS:  
24 Right.

25 MS. BROWN: Thank you.



1           FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Yes,  
2     that was my mistake, actually. That can change, however.  
3     This is just our sample. This is what the staff starts  
4     with. But you are right.

5           Okay. If we are on the right number, methodology,  
6     number three.

7           The second type is where we have a very specific  
8     idea of what we want, and hopefully in those cases the RFPs  
9     will be very specific about the task and how we want you to  
10    do that. And in those cases, you really just have to  
11    demonstrate that you can carry out those tasks.

12          The only clue you are going to have from this  
13    really is in reading the RFP and seeing how specific we have  
14    decided what we want you to do. And if we have layed out  
15    very clear steps we want you to go through, you basically  
16    just have to explain and propose the appropriate team to  
17    carry out those steps.

18          The best place to clear this up or to make that  
19    determination if it is not clear is in the question and  
20    answer bidders conference. And it can become very evident  
21    in a bidders conference or through questions whether staff,  
22    you know, is an expert and knows exactly what we are looking  
23    for or are we expecting you to propose the best method to  
24    carry out this project.

25          And under that category, we have categories like

1 soundness of the proposed methodology. You know, is what  
2 you are proposing a good method? Is it logically going to  
3 do what we expect it to do and is it logically constructed?  
4 Is it appropriate? Is the level of effort and the steps you  
5 proposed to go through, are they appropriate to the level?

6 You know, if we want to survey a limited number of  
7 people, are you proposing to survey the entire country or  
8 something of that nature? Or if we want a nationwide  
9 survey, are you proposing only to look at, you know,  
10 California, Nevada or something of that nature.

11 So how appropriate is it what you proposed to do?  
12 Are you, you know, overshooting the mark or undershooting  
13 it?

14 And last, of course, is the feasibility of the  
15 work plan and schedule. Have you layed out something that  
16 makes sense that looks like you have applied enough people  
17 to the task and applied an appropriate schedule to make  
18 sense so that all the pieces fit together.

19 These two sections, methodology and qualifications  
20 and resources, are probably the biggest areas for you to mix  
21 and match. It will determine your scores and your bid  
22 costs, because this is where you get to decide is it worth  
23 putting 20 people with bachelor's degrees on the phones for  
24 eight hours a day for a few months to do a survey, or is it  
25 better to hire a few PhDs in marketing analysis to construct

1 a well layed out mail survey.

2 Deciding what path you are going to go down is  
3 going to determine what your cost proposal is. Obviously,  
4 hiring 20 minimally educated people to do something for a  
5 number of hours may be a different cost than hiring a few  
6 well qualified people to do something else.

7 And that will affect your cost proposal. It also  
8 will determine your methodology and the people you are going  
9 to propose as your qualifications and resources.

10 So making that decision, you know, is fairly  
11 crucial to both meeting the score and your cost proposal.  
12 You can propose, as Steve said, the Cadillac approach, and  
13 you could get a very high score with these conditions.  
14 However, your cost proposal is probably going to go up. If  
15 you propose a Ford, then the cost will go down and you might  
16 suffer in the scoring category.

17 So it's a balance you have to strike and it's  
18 going to vary from contract to contract. And obviously it's  
19 the risk that you are taking when you bid on a project. You  
20 know, are we looking for a Ford or a Cadillac? Is a Ford  
21 good enough? Because if it is then that's what we want, and  
22 we go with that, you have got the lowest bid. If everybody  
23 else bid Cadillacs, you'll probably have the bid.

24 But if we are looking for something close to a  
25 Cadillac, and you propose, you know, a Ford, you might

1 suffer. But that's the risk. And I think the best avenue  
2 is for you to be aware of the issues involved with the  
3 project to begin with, be aware of the Board's activities,  
4 and then ask questions through questions and answers.

5 I think it's probably very difficult for you to  
6 figure out an appropriate level of effort on methodology if  
7 the first you were ever broached on the subject is an RFP.

8 I find it hard to see in a lot of complicated  
9 projects that you are going to get enough out of an RFP or  
10 questions and answers to really know what we are getting at  
11 if that's the first time you have ever heard of that  
12 subject.

13 The last category we have here is past work. This  
14 is, to me, a very crucial subject, although it may not be as  
15 highly weighted, but this is where we look at what you have  
16 done in the past. For a lot of bidders, and particularly  
17 subcontractors to prime bidders, this is really our only or  
18 first glimpse of you. And we have to look at the work you  
19 did in the past to see how well you did that work. And  
20 sometimes it is really a deciding factor.

21 If you are proposing a team that has never  
22 broached the subject or worked in the solid waste field  
23 before, we don't have any way of knowing how quickly you can  
24 learn these things. When we go into a project, particularly  
25 a longer complicated one, it takes a good deal of staff

1 investment.

2 And we have gone into the project to begin with,  
3 typically, because we don't have the time or the expertise  
4 to carry out a task. So if we are presented with a team  
5 that we think we are going to have to lead along and educate  
6 a lot and spend, you know, the state's money to educate you  
7 on the subject just to bring you up to speed to get the work  
8 going, it may not even be feasible. We can't always have  
9 the luxury of spending a lot of time to help our contractors  
10 get going on something.

11 So past work is very crucial on a lot of contracts  
12 because we want to hire people who kind of already know what  
13 we know and can go the next step for us. We don't want to  
14 have to retrain people.

15 So that could be very crucial. And for most of  
16 you, once you present your proposals, your past work is all  
17 we have to go on.

18 So we indicate here, except for one area, though,  
19 we do indicate that we can consult with your references.  
20 And we ask for past clients and we do call them and ask them  
21 what their opinions of you were. And we don't give specific  
22 points for that, but it kind of helps us fill in the points  
23 for the other three subcategories, you know, any proposed  
24 studies you worked on. And we come to find out when we talk  
25 to them that it really wasn't all your work or it really

1 wasn't the issue, the issue you worked on wasn't really the  
2 central focus or something of that nature.

3 So we do call up references and check on past  
4 work, both other state agencies and other states and other  
5 private contractors or private clients that you have had in  
6 the past.

7 And the things we look for, as you can see first,  
8 on 4a, is similarity between previous projects and the one  
9 contained here. You know, do you know about this issue and  
10 have you worked in this field in the past? People we don't  
11 feel we are going to have to train or bring up to speed are  
12 going to get higher points there.

13 "b" sometimes looks like a confusing one, the  
14 success of past projects and any related work. You know,  
15 you can complete work, but it may not always meet with the  
16 greatest reviews and things of that nature, so we look at  
17 your past work. We look at did it really accomplish what it  
18 said? Did you start out on a study to solve a fundamental  
19 problem and you ended up with a study that just raised more  
20 questions? You completed the work, but did it really  
21 accomplish what the goals were?

22 And we can get that, too, also from reviewing your  
23 past clients.

24 And then, of course, the last part,  
25 recommendations of project review panels of previous

1 projects. That's your references and other people from  
2 state agencies who you have worked for in the past. We can  
3 check them.

4 And there is a requirement, when each contract is  
5 finished, for agencies to provide to General Services a  
6 review of the contractor evaluation of your performance.  
7 And we can consult those and sometimes bad reviews are even  
8 brought to our attention by DGS as well.

9 So that's the basic logic of our evaluation  
10 criteria. We are trying to get a basis for which to judge  
11 the well-roundedness and appropriateness of the team you  
12 propose. And we do look at the proposal, not the firm that  
13 is the prime bidder or the firm that is the sub. We look at  
14 the whole mix of all the people.

15 And in a lot of cases, too, we are looking at the  
16 individuals you propose. You might propose one firm to do  
17 the work, but if you are putting your lowliest staff on it  
18 who are not qualified, that can cost you even though your  
19 firm does good work. So remember that when you are doing  
20 your proposals. You know, your reputation is not as  
21 important as the people you are proposing to use on the  
22 project.

23 I am going to move next into how we go about  
24 weighing these criteria. Are there any questions before I  
25 go on from here?

1 Yes.

2 MR. JONES: Tom Jones again.

3 I just wanted to clarify, and I am sure that this  
4 is going to come up every time an RFP is issued on the point  
5 system, but some of us in the room, our expertise really  
6 will lie in the private sector and have done most work for  
7 private sector clients. Does this give us a decreased point  
8 rating when it comes to not having previous work with other  
9 state agencies?

10 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: I  
11 would say no. I think we look at the projects you have done  
12 and the success. I have never heard of any kind of bias one  
13 way or the other, to tell you the truth. I think it is how  
14 similar was the project you did, really, is probably more  
15 important.

16 MR. JONES: Okay. Thank you.

17 (Thereupon a short discussion was held off the  
18 record.)

19 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Okay.  
20 Now, the most crucial part of the proposal scoring sheet  
21 beyond the methodology. I mean staff will vary these  
22 criteria. Sometimes we may omit methodology. We have had  
23 some contracts or services as needed and we don't need to  
24 know your methodology there. So we take that out.

25 But what is really important beyond just knowing



1 what is in the scoring sheet is looking at the weighing.  
2 Now, this varies and I think varies quite often, because  
3 different staff look and value things differently, and it's  
4 going to vary from project to project.

5 The weighing is always indicated. If you look  
6 over each category, it gives you the number of points  
7 possible. That's the most points you can score in that  
8 area. The higher the points in a particular category shows  
9 that we are more interested in that than the other  
10 categories.

11 It will always be indicated on the scoring sheet  
12 and in each RFP. It will vary for each RFP also. This is  
13 the latitude that staff has to score you, or as we say, to  
14 ding you points here and there. If we haven't given you  
15 many maximum points allowed under approach and organization,  
16 it means we are not too worried about how shiny the cover is  
17 on the thing or how clear it is because we have got other  
18 concerns that are much more important. So look for clues  
19 there as to what we are looking for, how we have allocated  
20 the points across all of these categories.

21 Now, some people want to ask like can you be more  
22 specific, can it be standard and things of that nature? And  
23 to kind of answer is that we can be as specific or as  
24 standardized as our projects are, which is not very  
25 specific. Every project has its own little animal, has its

1 own little life and has its own little needs that has to  
2 satisfy and that fits into the Board's picture in its own  
3 place.

4 And for most of our contracts, we have different  
5 staff constructing each one. It may start in one branch,  
6 one office, and is carried through by that office to the end  
7 and it may really not ever have any connection with somebody  
8 else in another office. Even though it may sound like it is  
9 all the same work to you, we really have different people,  
10 different personalities involved with each one.

11 So that contract manager or whoever starts this  
12 will assign the weights based on the needs of the project.  
13 So we might, if we are asking for a deliverable or an end  
14 project that is going to be for wide public distribution  
15 with the Board's name plastered all over it, you know, we  
16 might give more weight to some type of overall approach and  
17 past work because we want to see what quality output you may  
18 have provided in the past. There would be more points for  
19 that.

20 If, however, we are asking just for some sort of  
21 in-house consulting work that's really not going to result  
22 in any disseminated product, we might put less weight into  
23 those two areas and put more weight into your methodology  
24 and qualifications. If we are hiring an expert just to come  
25 and advise us on something, whether you can put together,

1 you know, a glossy finish proposal isn't as important as the  
2 fact that you know what you are talking about and are you an  
3 expert in the field?

4 So those clues there in how we allocate the points  
5 should tell you a lot about what we are looking for and  
6 where you should tailor your proposal to.

7 And getting back to kind of end this up on how  
8 specific we get here, different staff can add things here.  
9 They can get very specific. Some people even add more  
10 things into the minimum bid requirements, that your proposal  
11 contain one person with at least eight years of experience  
12 constructing landfill liners. I mean, we can get that  
13 specific in there.

14 So look in there. That wouldn't be a scorable  
15 criteria, it would be a minimum criteria that we would judge  
16 you by. If you didn't have somebody on your staff with that  
17 exact level of expertise, you would be disqualified. And we  
18 can put things like that into this as well. Staff doesn't  
19 always like to do that.

20 Quite often we end up not knowing exactly what we  
21 are going to get, so the less specific we are here in these  
22 categories, at least as far as explaining them, gives us  
23 more latitude later on. So we don't always or staff isn't  
24 always motivated to be overly specific and verbose in this  
25 section. Therefore, if you are unclear or you want to get

1 more information, you might send us questions or come to the  
2 bidders conference just to try to pin us down. But it does  
3 give us more flexibility, obviously.

4 Some more questions on this? I'd like to move  
5 into the next area of evaluators. Are there any questions  
6 or would anybody like to say anything?

7 Okay. We've had quite a few questions or interest  
8 in who is evaluating these proposals, who am I talking to  
9 when I send these things in? You are talking to any one of  
10 four hundred odd people that walk around this building in  
11 any one day. We don't identify the exact team members and  
12 we may not even know who the exact evaluation team will be  
13 when the RFP is released.

14 We will know who came up with the idea, who  
15 constructed the RFP and we may or may not know all the  
16 members of the evaluation team.

17 Primarily they come from Board staff. They can be  
18 just from the branch that is managing this contract. They  
19 may draw on expertise from all over the Board. In some  
20 cases, very rarely, but some cases, if it is a product or a  
21 project that is really something done over and over again  
22 say by another agency like the Division of Recycling, we can  
23 get staff from that agency to come and be on the review  
24 panel as well. It really depends on the exact needs of that  
25 project.

1           You know, sometimes we have a project that is  
2 going to result in a public education tool so we can get  
3 somebody from the Public Information/Education Office to  
4 come and help us evaluate proposals on that basis.

5           Typically, or generally, however, the person that  
6 came up with the idea for the contract is the person leading  
7 the evaluation, so we normally have that kind of consistency  
8 from the person who started it, the person drafting the RFP,  
9 is the person leading the evaluation committee all the way  
10 through the process.

11           There was concern last time that it looked like we  
12 were doing a heck of a lot of work, a heck of a lot of RFPs  
13 for review, and how can we do them that fast? For the most  
14 part, almost exclusively, staff only reviewed one contract.  
15 Each contract went to different areas and different teams  
16 evaluated different proposals. There was really only, I  
17 think, a couple of proposals that any staff overlapped. So  
18 we allocate our staff to these contracts so that there will  
19 be enough time to do them. So they are in good hands when  
20 you send them in here.

21           Kind of to reiterate a point from an earlier  
22 section, our staff may have a good level of expertise in  
23 their area, whether it be recycling or waste management or  
24 landfill construction, but they may not have all the  
25 expertise of the tasks required in the project. And that

1 may be the reason we are having a contract in the first  
2 place.

3 We may want some heavy-duty statistical surveying  
4 work done and the people that want to have that job done  
5 have no experience or training in surveying or statistics,  
6 and so we are asking you for the expertise. So sometimes  
7 staff is looking at they are not the experts in surveying  
8 statistics, but they are judging your qualifications to do  
9 that. And so that way, making yourself more clear about  
10 your qualifications and background, helps. And sometimes  
11 asking that kind of question in a question and answer or  
12 bidders conference might help.

13 But quite often you might just look at the nature  
14 of the RFP. If we are asking for work that is not typically  
15 done by a state agency or by this agency, you could probably  
16 get a clue that we are looking for experts to come forth and  
17 tell us how we are supposed to do this. And this gives us a  
18 little ability to do some window shopping for people that  
19 are proposing different methodologies, because we won't be  
20 the experts in, let's say statistics or the surveying, but  
21 we will be experts in the waste management issue at hand.

22 I know that doesn't give you a lot of clues except  
23 that the Board's staff are the evaluators, and our expertise  
24 and focus is on waste management. If we are looking for  
25 something outside of that area, we are looking for you to

1 come forward and tell us who the experts are that should be  
2 doing this task. And it's going to vary from each RFP to  
3 RFP.

4 And later I will get into some advice about this,  
5 but I would say here that knowledge of the issue and  
6 knowledge of the Board's activities is probably your best  
7 weapon here. If you are up to date on what the Board has  
8 been doing and what is the development of the issue, however  
9 you can find that out, it will give you a clue on whether we  
10 are, you know, fishing for an expert in an area that we  
11 don't know anything about or are we just asking for  
12 additional work to be done that we just can't handle right  
13 now.

14 And every RFP is going to be different. I don't  
15 think there is any one mold that we all fit into. But take  
16 your clue from the staff, the work here and the staff who  
17 are working on this contract, and the types of things that  
18 the division has been doing. Probably just getting to know  
19 the Board and different divisions and areas is probably your  
20 best clue there.

21 Any questions?

22 Okay. The next area is -- oh, yes.

23 MS. COGAN: In regard --

24 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: State  
25 your name, and if you could please come forward to the

1 microphone. We are sorry. We just want to have a good  
2 record for everybody so we don't have to --

3 MS. COGAN: Sorry. Sheila Cogan, Research  
4 Management Associates.

5 In regard to your last point, there appears to be  
6 a considerable amount of staff changes within the Board, and  
7 very often it makes it difficult to stay in touch with the  
8 appropriate folks. Are you planning to issue continuing  
9 updates on Board staff developments, Board staffing  
10 developments, changes and promotions and so forth?

11 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: No.  
12 Nobody is getting promoted ever again.

13 (Laughter.)

14 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: There  
15 is a number of things you can do. I will just say this  
16 tentatively because this is not in my area, but there is a  
17 Board newsletter that is going to be developed soon coming  
18 out, and hopefully that will be something that can give the  
19 outside world clues as to what is going on here. Getting  
20 agendas from the Board and things of that nature, showing up  
21 to meetings, is probably the best way to see the personnel  
22 that is involved in different areas.

23 You are right in the staff changes. That's true  
24 everywhere. We don't have consistency except if you can get  
25 an idea who started the project, where it came from. That's



1 probably your best clue, because for an individual contract  
2 basis, that's the person carrying it from beginning to end  
3 unless something very untoward happens to him. We don't  
4 often change those people in the middle of an award process.

5 MS. COGAN: Thank you.

6 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Okay.  
7 Next I will run briefly through the proposal evaluation  
8 process just to let you know what we go through to evaluate  
9 these proposals.

10 The first step is to identify the team. I think I  
11 already covered that. That's usually the person who started  
12 the idea for the contract, pulls together a staff of people.

13 Each team member receives the RFP before or after  
14 it is released and they review the criteria. And they  
15 usually make some attempt to all agree on how they interpret  
16 the criteria that is layed out in the RFP.

17 Once the proposals are received, each member  
18 receives one copy of the proposal. They each review them  
19 themselves individually. Somewhere along the way somebody  
20 will check the references you listed in the proposals.

21 The team at this point can meet once, twice, three  
22 times, whatever it takes, but they will meet at least once  
23 usually to discuss the proposals as a group to go over  
24 everybody's impressions and opinions of them. And they may  
25 bring to those meetings tentative scores of each of the

1 proposals.

2           Some teams meet quite a few times before they even  
3 have scores. But generally they will meet at least once to  
4 come up with tentative scores for each of the proposals. If  
5 there is big differences of opinion on scores, particularly  
6 with say one proposal, they may do further research, go back  
7 and evaluate them some more, call more references and go  
8 back and look at the sample work a little more closely and  
9 things of that nature. It is kind of just an airing session  
10 to see if everybody is on the same ticket or not.

11           Historically, since we have gone to most of these  
12 meetings, we have found that quite often staff shows up  
13 pretty much in agreement. It is not to say that there is a  
14 conspiracy, but it just works out that way. I think most  
15 people with a similar level of expertise and education can  
16 look at a proposal and give it a fairly compatible score  
17 with everybody else. Most of the qualities of most  
18 proposals kind of jump right out at you if you know what you  
19 are dealing with in the first place.

20           Sometimes we do have differences of opinion and  
21 sometimes it's really over the marginal cases, somebody who  
22 is within a few points of qualifying and somebody has got  
23 them well overqualified and somebody has them just  
24 underqualified or it will result in differences like that.

25           After that they will meet at least once to have

1 everybody hand in official scores. This is where each  
2 person will hand in their scoring sheet for each proposal,  
3 and we'll average all the scores together to give that  
4 proposal an average score.

5 The RFP will tell you what a qualifying score is.  
6 Typically, it is 85 percent of the total possible scores.  
7 Once the scores are compiled and we have each person's score  
8 sheets, they have initialed and dated each one of them, we  
9 compile them and we average them and that's the official  
10 score. And whoever meets the 85 percent or whatever the  
11 minimum score is, they are deemed qualified at that point.

12 If you haven't reach the passing score, you are  
13 out of the running and at this point you are not considered  
14 any longer and we won't open your cost envelope.

15 Any questions on this process here?

16 It is probably the most mystical because we just  
17 take it and we come out with it, but it's really staff's  
18 process for evaluating scores and trying to lump several  
19 people's judgments together into one objective score for the  
20 proposal.

21 So we are going to low bid determination now. We  
22 have decided who is qualified and now we are going to open  
23 the cost envelopes for the people who are considered to be  
24 qualified. We can open these up and we can review them.  
25 Just opening them up isn't the end of it and looking at the

1 bottom line.

2 We review them to make sure they are accurate and  
3 make sure you have followed the format that we have  
4 specified if we have given you a format, to make sure you  
5 put appropriate rates on there and that they match what you  
6 have specified in your proposal, that you haven't, you know,  
7 listed 20 PhDs that are going to be on this work and given  
8 us a cost proposal rate for 20 student assistants and so  
9 forth, that those things match and that the numbers all add  
10 up.

11 We have had cases where people just handed in  
12 proposals with math errors. They just added it up wrong.  
13 And their incorrect addition gave them the lowest bid. But  
14 when you added it up, they weren't the lowest bid. And so  
15 they lost that contract. So it's very important.

16 Now, we don't have an infinite amount of  
17 flexibility there but we do have to make sure that it is  
18 appropriate, it is accurate and that we can read it and you  
19 followed the instructions.

20 We can't accept multiple bids. We need one bid  
21 rate or cost that you are proposing on this project so that  
22 we can come up with the lowest qualified bidder. We can't  
23 pick and choose different ways of figuring the rates.

24 The opening of these bids is public. Anybody can  
25 come and watch them. And in the future -- in the past we

1 notified people when and where that was going to be if you  
2 were qualified, and in the future the RFPs will state the  
3 date, time and place that the bids will be opened, and  
4 anybody can come and look at the bids of all the qualified  
5 bidders and review them.

6 And at this point, once we have determined who the  
7 lowest qualified bidder is and that their cost proposals  
8 were appropriate, we have essentially identified the lowest  
9 qualified bidder at this point.

10 Are there any questions before I move into the  
11 post-award activities?

12 We try to make this as straightforward as possible  
13 but I know from the outside it probably doesn't look that  
14 way.

15 Okay. Let's move on to the item -- oh, I am  
16 sorry, yes.

17 MR. RAMOS: Jim Ramos again.

18 I take it then wherever you mention in your  
19 handout, in your draft RFP, when you mention Board, you are  
20 really talking about the Board staff, that the Board really  
21 does not do any evaluation and that they just take your  
22 recommendations and approve it, right?

23 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Well,  
24 they are endorsing or adopting our recommendation.

25 MR. RAMOS: They are not in the bid process. They

1 are not in the evaluation process. They are going to just  
2 look at the results of the staff work and approve that  
3 process or the results of your staff analysis.

4 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS:

5 Right, at this point, yes. The Board Members aren't  
6 involved in evaluating. They have the ability to and I  
7 can't say they will never do it, but typically, no, it's  
8 staff that is evaluating proposals, coming up with their  
9 scores and opening the envelopes and presenting the Board  
10 with the recommended lowest qualified bidder.

11 MR. RAMOS: Does the Integrated Waste Management  
12 Board have special requirements of contractors that are  
13 unique to this agency?

14 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: As  
15 far as bidding or what?

16 We do have some requirements in there about using  
17 recycled content paper and printing on both sides of the  
18 paper.

19 MR. RAMOS: Right. But do you have liability  
20 requirements, public liability, business liability, those  
21 kinds of requirements?

22 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: I  
23 don't think anything that are unique to us.

24 Steve?

25 ASSISTANT CHIEF COUNSEL SPHAR: I am not sure what

1 you mean by public liability.

2 MR. RAMOS: Well, do you have insurance  
3 requirements, for example?

4 ASSISTANT CHIEF COUNSEL SPHAR: Not as a general  
5 requirement. We enter into a special type of contract which  
6 I don't think will come up through most of you, architect,  
7 engineering, service contracts and so on, and those  
8 contracts have insurance requirements. If it would ever  
9 come up, it would be stated as a specific requirement in the  
10 RFP. I don't think it would come up in the vast majority of  
11 the contracts.

12 MR. RAMOS: Thank you.

13 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Yes.

14 ASSISTANT CHIEF COUNSEL SPHAR: John -- or was it  
15 Jim Ramos?

16 MR. RAMOS: Jim.

17 ASSISTANT CHIEF COUNSEL SPHAR: Jim, I just was  
18 told by Connie that apparently some of our contracts do. We  
19 had some lab analytical work contracts that had to have  
20 insurance requirements, but those would have been stated in  
21 the RFP. So if you don't see them there, it's not going to  
22 be required. And I don't anticipate that it would be  
23 required in most of our contracts.

24 MR. RAMOS: You wouldn't expect, then, that these  
25 requirements will be passed on to the subcontractors?

1 ASSISTANT CHIEF COUNSEL SPHAR: I don't know how  
2 that would work. In a lab services contract, you are  
3 probably not going to have subcontractors. It would depend  
4 on what it is that we were wanting the requirement for. It  
5 is a requirement that doesn't come up very often so it is  
6 hard for me to say.

7 I will tell you this much. This will be the  
8 perfect thing that you might have to ask on a question  
9 case-by-case basis, being specific to a particular RFP. If  
10 you see a requirement and you are not sure how it is  
11 supposed to interrelate with you versus your contractor, ask  
12 that in the question and we can answer specifically for the  
13 RFP.

14 MR. RAMOS: Well, typically other agencies say  
15 that if you are subcontracting up to 25 percent of that  
16 contract, then you have a responsibility as a subcontractor  
17 to carry that same liability that the prime has with the  
18 state.

19 ASSISTANT CHIEF COUNSEL SPHAR: Yes, got you. But  
20 the specific thing we are talking about comes up so rarely  
21 in the types of contracts that you are going to have, I  
22 don't see it coming up.

23 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Okay.

24 MR. HANSEL: Derek Hansel, Public Financial  
25 Management.



1           Three questions. First, is it considered  
2 acceptable to mark up subcontractor fees from the prime  
3 contractor? You know, if the subcontractor's hourly rate is  
4 50 or 65, can the prime contractor then mark that up to the  
5 state at whatever?

6           ASSISTANT CHIEF COUNSEL SPHAR: Yes. I don't  
7 think there is any problem with that. What you will put in  
8 your bid envelope is the price you are going to charge us.  
9 And we usually require you, and it will differ from contract  
10 to contract, to break it down into what are the elements  
11 that you are charging for each.

12          MR. HANSEL: Uh-huh.

13          ASSISTANT CHIEF COUNSEL SPHAR: So if you have got  
14 subs doing eight of the 20 elements or whatever, your  
15 business relationship with them we don't care about. We  
16 want to see what the final charge is that the prime  
17 contractor is going to charge to us and we will compare that  
18 with all the other primes.

19          MR. HANSEL: Just as long as the actual dollar  
20 amounts that they receive meet the specified percentages of  
21 the contract, the total contract?

22          ASSISTANT CHIEF COUNSEL SPHAR: Well, that is it,  
23 correct, and we would be able to go back and audit you to  
24 make sure that you did, in fact, pay them the three, five  
25 and fifteen percent on the contract.

1           MR. HANSEL: Okay. The second is how do you all  
2 determine contract amounts when you publish them in the RFP,  
3 and what is the basis for doing that?

4           FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Do  
5 you have the dice, Connie?

6           (Laughter.)

7           MR. HANSEL: Yes, it was not readily apparent.

8           FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS:  
9 Typically we look at trying to get some estimate of the  
10 level of effort we think it will take to do something and we  
11 use a ballpark figure of numbers of personnel years, you  
12 know, that we think this project would take a person a whole  
13 year. Roughly we would give that contract maybe \$100,000  
14 value. That doesn't mean that it would take a year to do  
15 the project, but maybe take two people half a year or four  
16 people a third of the year.

17           Basically, we try to make a judgment that if we  
18 had to do it ourselves, how long would it take to do that,  
19 how many people devoted for how long? And roughly it is  
20 about \$100,000 for one person's effort for an entire year.

21           So those are sometimes pretty subjective, but  
22 sometimes they give you a clue, if you are bidding on  
23 something and we put a \$20,000 price tag on it, we are  
24 telling you we don't expect, you know, expect a lot for that  
25 as opposed to a \$300,000 contract, obviously we expect a lot

1 of work. But that's basically it, a hundred thousand  
2 dollars per PY or personnel year.

3 MR. HANSEL: And the final one is on the undefined  
4 scope projects, you know, where you are saying we want kind  
5 of general consulting expertise and your bid is going to be  
6 based on this number of hours. To compete on a price basis,  
7 we have to cut our fees well below where we normally charge  
8 most of our clients. And so we are kind of interested in  
9 limiting our exposure. The question is, would our exposure  
10 be limited to the bid amount or is it the contract amount  
11 for that contract?

12 ASSISTANT CHIEF COUNSEL SPHAR: The bid amount  
13 should be the final contract. We will only encumber, for  
14 example, \$270,000 for that contract.

15 MR. HANSEL: I am talking about this type of  
16 hypothetical case, for instance the advance disposal fee.

17 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: The  
18 as-needed type contracts.

19 ASSISTANT CHIEF COUNSEL SPHAR: Correct.

20 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Well,  
21 no, under those cases you are bidding, giving us your  
22 hypothetical situation that describes your average rates you  
23 would be charging.

24 MR. HANSEL: Right.

25 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: The

1 limitation of what we can ask you to do is that total  
2 contract amount.

3 MR. HANSEL: It would be the total contract amount  
4 and not the hypothetical bid amount.

5 ASSISTANT CHIEF COUNSEL SPHAR: I am sorry, of  
6 course, right, yes.

7 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS:  
8 Right.

9 MR. HANSEL: So the exposure is greater than the  
10 actual bid.

11 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS:  
12 Right.

13 ASSISTANT CHIEF COUNSEL SPHAR: The bid is  
14 hypothetical for purposes of determining low bidder only and  
15 then you would actually be paid on the services on an  
16 as-used basis up to the total contract amount.

17 MR. HANSEL: Okay. Thanks.

18 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Yes.

19 MR. SMITH: I am Dave Smith with Booz, Allen.

20 Following up on that last point, I have a little  
21 bit of a question about the management of those hypothetical  
22 project bid sort of contracts where in the proposal there  
23 are average rates that are bid for different types of staff  
24 members. Let's say a project director had a hundred dollars  
25 an hour and a manager had seventy-five dollars an hour and a

1 staff person had fifty dollars an hour, what sorts of  
2 technicals are you using to manage -- well, let me back up a  
3 step -- and then the way they went this last time, there  
4 would be a list attached of individual people with specific  
5 rates for those people.

6 Is there going to be an ongoing management of the  
7 contracts to insure that the people that are actually used  
8 within each of those staff categories in fact average out to  
9 the rates that were bid on the hypothetical?

10 So let's say, for example, I come up with -- let's  
11 say, as a result of whatever staffing changes a contractor  
12 might experience, they end up using a slightly different  
13 staff mix on the project than they actually bid and they  
14 come out at fifty-five dollars an hour on staff as opposed  
15 to fifty dollars that was in the bid. Is there any tie-back  
16 after the award to that bid amount?

17 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: The  
18 way we are going to implement it is through individual work  
19 authorization. I think the nature of a contract like that  
20 almost precludes us being able to say that we are going to  
21 have to hold you to that. For example, if we ask for  
22 services as needed, and we end up using project directors  
23 much more heavily than general staff over that mark, there  
24 would be no way for us to go back at the end of the contract  
25 and, you know, charge lower rates.

1 I think it's going to be up to each contract  
2 manager as they assign work authorizations to realize that,  
3 you know, if you use the more expensive staff, you are  
4 getting less work, less hours of service and things like  
5 that. So it's really on the contract manager's shoulders.

6 MR. SMITH: I guess, in addition to the mix of  
7 project director versus staff in aggregate, the other issue  
8 would be managing within each one of those labor categories.  
9 Say, for example, within a staff category where you might  
10 bid fifty dollars an hour, if you actually, if you use staff  
11 whose actual rates, say, average sixty dollars an hour, you  
12 might be performing the contract in a different rate  
13 structure than you essentially bid it.

14 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS:  
15 That's probably accurate. I think there is always that  
16 risk. The nature of as-needed services is you are getting a  
17 range of people that you can call at any minute or on any  
18 given task.

19 You know, it would be hard to say, other than  
20 telling you, you have to commit everybody in that category  
21 to a flat rate, which can be feasible for some firms, we  
22 might consider doing that in the future.

23 Somebody has told me before that they wanted a  
24 rate for everybody.

25 (Laughter.)

1 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS:

2 You're right, I don't know how that would work either, but  
3 that's a good issue to consider.

4 ASSISTANT CHIEF COUNSEL SPHAR: The hypothetical  
5 bid is our best estimate as to what we think a generic  
6 project might come down the pike. It might be that we have  
7 some things, after we enter into a contract, some work  
8 authorizations may require a lot of grunt work and would be  
9 not a lot of supervision, and others, no, you just need two  
10 or three of your top experts for a day.

11 And so once you commit to the staff, identified  
12 staff and identified rates, that is what will be controlling  
13 the contract. So the hypothetical is just our best guess as  
14 to what a generic project might be, and then, as you develop  
15 individual work authorizations, for specific projects on the  
16 as-needed basis, that's where you will define "okay, for  
17 here we need ten hours of this person and 40 hours of this  
18 person", et cetera.

19 MR. SMITH: Yes.

20 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: I  
21 don't think we are going to hold anybody back at the end of  
22 a contract to make you liable for this. It's up to us.

23 MR. SMITH: It does create the ability to develop  
24 a bid structure, a staff structure in a proposal used that  
25 leans heavily on staff that you know are not going to be

1     terribly attractive once the work authorizations begin to  
2     come out and allow you to generate a hypothetical bid price  
3     list lower than you ever intended to perform the contract  
4     for.

5             ASSISTANT CHIEF COUNSEL SPHAR:   If you try to  
6     low-ball like that too much, you run the risk of not passing  
7     the minimum score because we will look at the people that  
8     you intend to use and score you accordingly. Who are the  
9     people you intend to use? Are they qualified to do the  
10    work? What are they qualified to do? We have made a  
11    judgment in the hypothetical to allocate a rough amount of  
12    hours for each personnel category and, you know, we will see  
13    whether or not the team you have given us is acceptable.

14            Then when you open the envelopes, you see what the  
15    rates are that you want to charge for each of those people.  
16    That's the best we can do on that, I think.

17            MR. SMITH:   Okay.   Thank you.

18            FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS:   Okay.  
19    If we have no other comments, we will go on to the  
20    post-award activities, and I think Susan wants to start up  
21    there.

22            STAFF SERVICES ANALYST VILLA:   Yes.

23            I will cover the first two topics on the  
24    post-award activities.

25            After the apparent low bidder is identified, a



1 letter of notification will be sent out to all the qualified  
2 proposers stating the apparent low bidder and the date that  
3 the Board will consider the award of that contract.

4 In the RFP on Page I-2, there is the tentative  
5 schedule for the RFP process. And under the posting of the  
6 contract award, the date is not specified because at that  
7 time we don't necessarily know the exact date of the Board  
8 meeting. And the date will be identified in this letter  
9 that we send out. Also the intended five-day posting of the  
10 award will be identified at that time also.

11 Under the contract execution process, after the  
12 five-day posting of the award period, the contract document  
13 is put together and it is sent to the contractor for  
14 signature. And we just want you to remember that the  
15 contract cannot be renegotiated from what was stated in the  
16 RFP.

17 And as soon as we receive the signed contract back  
18 from the contractor, we take about five working days  
19 in-house to send it through our signature process and then  
20 we send it to the final approval place, to the Department of  
21 General Services, Office of Legal Services, and they have up  
22 to ten working days to approve the contract. And that's if  
23 they don't find any problems with it.

24 Also, when it is sent to the Department of General  
25 Services, there is a number of other documents that have to

1 be sent, which include a contract transmittal, all the bids  
2 and proposals received and all the backup information, which  
3 is the written questions and responses, scoring sheets and  
4 any correspondence, a copy of the State Contracts Register  
5 ad, a statement of compliance, which is in the contract  
6 language itself, a drug-free workplace certification, which  
7 is also in the contract, and your certification showing your  
8 minority, women and disabled veteran participation.

9 After the Department of General Services approves  
10 the contract, they send it back to us fully executed and we  
11 make distribution on it. Once you receive a copy of the  
12 fully executed contract, work can begin. We just want to  
13 make a note here, too, that if you started work before you  
14 received a copy of your fully executed contract, you could  
15 be liable for those expenses you incurred before the  
16 contract was fully executed. So we want to make sure that  
17 you are really aware of that and not to start working before  
18 you have received a contract that is fully executed.

19 There is also two other things. On the contracts  
20 that are group contracts, where they have three major parts  
21 to them, or the service-as-needed contracts, a work  
22 authorization is also needed. And so the contract manager  
23 will develop a work authorization after they receive their  
24 copy of the fully executed contract and they will submit an  
25 approved work authorization to you to start work. And we

1 just want to make sure that you know that on the group  
2 contracts, for the services as needed, you also need that  
3 approved work authorization to start work.

4 And unless there is any other questions, that is  
5 my part for now.

6 Yes.

7 MR. RAMOS: Excuse me, I have two questions. My  
8 name is Jim Ramos again.

9 The first question is is that when you say  
10 posting, is there a physical posting?

11 STAFF SERVICES ANALYST VILLA: Yes, there is a  
12 physical posting in the RFP process, and we post it out here  
13 in the board room.

14 MR. RAMOS: On the board room?

15 STAFF SERVICES ANALYST VILLA: Yes.

16 MR. RAMOS: And the second question is is that  
17 when a contract, you say, is distributed, are those  
18 contracts available to other people other than the prime?

19 STAFF SERVICES ANALYST VILLA: They are public  
20 documents. You can come in and review them.

21 MR. RAMOS: Okay. And you can also -- when was it  
22 the time that you could actually see the other people's  
23 proposals?

24 STAFF SERVICES ANALYST VILLA: After the  
25 evaluation process is complete.

1 MR. RAMOS: But didn't you mention that there was  
2 some time when you send this over to General Services? Do  
3 you send everybody's documentation over to General Services?  
4 When does it come back and is available to, you know, people  
5 just to see what those good guys did to win contracts that  
6 you should have done for the next one? Do you understand  
7 what I mean?

8 STAFF SERVICES ANALYST VILLA: Yes. They are  
9 available any time after the evaluation process by the  
10 evaluation team is completed. When the contract is sent to  
11 the Department of General Services, is after the Board has  
12 made the official award. But they are available for review  
13 before that time just so long as the evaluation team has  
14 completed its scoring process.

15 MR. RAMOS: Okay. Thank you.

16 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: We  
17 get multiple copies so we send some here.

18 STAFF SERVICES ANALYST DUNN: We just require  
19 written notice requesting, from you, requesting a review of  
20 the documents so that we can retrieve them from the boxes  
21 and where we have got them stored because there are so many,  
22 you know, on hand. You can either fax it to us or send it  
23 to us by letter and then we will call you and set up a time  
24 and you can come in and review them and we will have them  
25 all pulled for you.

1           FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: I  
2 think this process, if anybody hasn't gone through it  
3 before, illustrates, if you are counting the days, that  
4 there are at least 20 days between the time the Board  
5 decides who gets a contract and it is officially awarded.  
6 And that's not including the time it takes for you to get it  
7 and sign it and return it back to us and talk about any  
8 warts or bumps on it that you would like to change and that  
9 kind of thing.

10           Or if General Services finds something wrong, they  
11 have ten days. However, if they find something wrong with  
12 it, the clock stops running and they send it back to us and  
13 we hash out the problem. So we are looking at a minimum of  
14 21 or 22 days from the time the Board acts until you have a  
15 signed contract, you know, in your hands.

16           So it is something to keep in mind. You know, we  
17 have a lot of steps to go through after the Board. And  
18 those things also drive the days we want things done. You  
19 know, we talked to you before about squeezing the proposal  
20 period. Well, we have to factor in almost a month after the  
21 Board acts just to get a signed contract in your hands. So  
22 that is just that much less time we have up front to allow  
23 us to work. We have to squeeze time everywhere to do that.

24           So, in case you haven't gone through it -- yes.

25           MR. GRECO: I have a question after you are done.

1 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Okay.  
2 Just to let you know, there is still an extended process  
3 that we go through after the Board acts to make everything  
4 official and make it an effective contract.

5 Yes.

6 MR. GRECO: My name is Jim Greco. I am with HDR  
7 Engineering.

8 And is it available to the public, of what you  
9 estimated the value of the contract versus what it was  
10 awarded? Like of the last 20 contracts that were awarded,  
11 they came in roughly at what guesstimate or ten percent less  
12 or five percent more?

13 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: We  
14 don't do any ongoing analysis. We have those records  
15 obviously, but we don't put out any like ongoing report of  
16 how much money we saved or anything like that. We keep  
17 track of how much we have awarded, how much we had to begin  
18 with and things like that.

19 I don't know. Have we ever done anything like  
20 that?

21 STAFF SERVICES ANALYST VILLA: No. I mean just  
22 overall most of the contracts last year came in much lower  
23 if that's something you are looking for.

24 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: I  
25 think the average savings was about ten percent, ten to

1 fifteen percent savings on average is what we have  
2 experienced.

3 MR. RAMOS: Excuse me. As an adjunct to that  
4 question, you know, because there is so much, it seemed to  
5 me like, so much low-balling under the contracts last year,  
6 what do you do with that extra money?

7 (Laughter.)

8 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Well,  
9 have you looked at the parking lot?

10 (Laughter.)

11 ASSISTANT CHIEF COUNSEL SPHAR: We let the  
12 Legislature take it away from us each year at the end of the  
13 fiscal year.

14 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: I  
15 will digress a little bit on our public finances here. The  
16 Board has a contracts line item in its budget for consulting  
17 services. That's our budget that we can award through  
18 contracts. Any money left over at the end of the year that  
19 we didn't award doesn't go to the General Fund. It goes  
20 back into our Board's cash balance. We can't spend it next  
21 year automatically, but our balance increased, and if we  
22 have increased needs next year, there are methods to go  
23 through to increase our contracts line item next year.

24 But if by June 30 we haven't incumbered or, you  
25 know, signed contracts for all of the contract's money, it

1   reverts back to just the Board's balances. It is not  
2   available to be used automatically the following year.

3           If we, you know, issue a contract, say, for a  
4   hundred thousand dollars, and we award it for eighty early  
5   enough in the year, we can use that \$20,000 savings for an  
6   additional contract if we have time.

7           FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Any  
8   other questions before we move on?

9           I guess we are up next to Steve and the protest  
10   process.

11           ASSISTANT CHIEF COUNSEL SPHAR: Okay. I was going  
12   to talk to you just for a very few minutes about the process  
13   for protesting a contract.

14           If the Board does everything correctly the way we  
15   have described in the first part of this agenda, this will  
16   never come up because none of you will ever want to protest  
17   one of our contracts. If, however, you feel we have done  
18   something wrong, there is a process you can go through. It  
19   is with the Department of General Services.

20           We have a boilerplate of stuff that we can give a  
21   disgruntled bidder who can go through the process. It's not  
22   here but if you request it during a bid process, we will  
23   give it to you. And it is a cover letter that explains the  
24   process very briefly, and tells you to go to General  
25   Services and gives you copies of the SAM sections and the



1 regs and so on and the statutes that deal with bid protests.

2 It basically works like this. First of all, you  
3 have a time window of five days. That five days does not  
4 start to run until the Board acts at a Board meeting that  
5 has been publicly noticed, et cetera, to award that  
6 particular contract. Nothing can happen here at the Board  
7 until four Board Members agree. It takes four votes. And  
8 until that happens all the actions that we have taken up to  
9 that point are recommendations only. So once they nod and  
10 make that approval, that is when the Board makes its  
11 official award. That is the day we go out and post by  
12 taping up the names of the proposed awardees on the door of  
13 the board room. And that's when your five days starts to  
14 run.

15 You can obviously do it before the Board acts  
16 because you will probably know from the Board agenda item  
17 who it is recommending, so if you are upset about having  
18 been disqualified, for example, you can go ahead and protest  
19 before that even.

20 The way you do that is you send a letter to  
21 General Services that identifies the protest -- excuse me --  
22 identifies the contract. It says "I protest this contract."  
23 And then you have a few days after that to give them what is  
24 called a detailed written statement. I think you have  
25 another five days. But you can just get your protest in

1 just by sending in the protest.

2 And you just write your reasons down as to why you  
3 feel you have been disadvantaged, and they will either  
4 decide it on written submissions or they will have a  
5 hearing.

6 The grounds for protests are pretty limited. If  
7 you disagree with some evaluation we have made, General  
8 Services is not going to overhear that. It's good for you  
9 to know that there is an objective third party, the  
10 Department of General Services, that will decide if we have  
11 followed the process correctly, but it's just really  
12 process.

13 Unless we have done something that is not allowed  
14 by the Public Contract Code, or if we have violated some  
15 step that we said we were going to do in our RFP, those are  
16 the process type protections you get out of protests.  
17 Unless we have violated one of those, you are not going to  
18 win a bid protest.

19 The Department of General Services will defer to  
20 our expertise in evaluating whether or not someone was a  
21 good solid waste manager or not as good a solid waste  
22 manager or whatever specific expertise we needed for a  
23 contract.

24 But that's generally the process for doing that.  
25 If you have any questions on that, you should ask them now.

1 Or any other questions that may have come up throughout the  
2 morning that you want to talk to me about, because I have to  
3 leave now and this is your last chance for some free legal  
4 advice, so you should take advantage of it.

5 (Laughter.)

6 MS. COGAN: Yes.

7 ASSISTANT CHIEF COUNSEL SPHAR: I'm sorry. If you  
8 could, would you please step to the microphone?

9 MS. COGAN: Sheila Cogan.

10 Several of you have mentioned that due to the  
11 extended or expanded MBE/WBE requirements, that the length  
12 of time for bid submission will be extended for this coming  
13 period of time. Have you any sense of what that really  
14 means? Are we going to get an extra month or three weeks or  
15 what?

16 ASSISTANT CHIEF COUNSEL SPHAR: I would hope so,  
17 but do you guys have a sense of that?

18 STAFF SERVICES ANALYST DUNN: Well, it wasn't so  
19 much because of any MBE/WBE changes, because the percentages  
20 are the same. What we were trying to do is, because we had  
21 such a crunch time last year, we were trying to give a month  
22 or two for people to get these big proposals back to us,  
23 because we do realize that it was a short time length last  
24 time for you and for us.

25 I mean, we didn't like getting 107 on one day, you

1 know, so it was hard on both sides. And so we are trying to  
2 move it along a little faster this year and get our process  
3 off the ground earlier.

4 But right now, as it stands, the earliest we could  
5 have an ad in the Contracts Register is October 28th. So  
6 that is as soon as we can advertise an RFP right now.

7 ASSISTANT CHIEF COUNSEL SPHAR: Do you have a  
8 sense on what you are going to allow people for turnaround  
9 times?

10 STAFF SERVICES ANALYST DUNN: Yes.

11 ASSISTANT CHIEF COUNSEL SPHAR: Four weeks, six  
12 weeks, eight weeks?

13 STAFF SERVICES ANALYST DUNN: Right. We were  
14 shooting for almost two months.

15 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Yes.  
16 Last time we got pretty close to six weeks for process.  
17 Obviously, we would like that to at least be two months. We  
18 have different problems because of timing, even this year,  
19 because obviously, and we talked about the savings before,  
20 if we want to award some contracts initially and utilize  
21 those savings in the future RFPs, we have to be able to  
22 start that process early enough to get in to June, so we'd  
23 like to have, and it is not solely up to our decision, but I  
24 mean we would like to have at least two months. But it  
25 really depends on how quickly the Board acts, how quickly

1 each staff develops their RFPs, how soon they want their  
2 products and things like that.

3 But we all understand that six weeks is probably  
4 the minimum. We did the year before just barely give you a  
5 little over four weeks and we got, you know, mixed reviews  
6 about that.

7 So, you know, giving that learning curve of two  
8 weeks a year, we can assume two months, hopefully, will be  
9 what we would shoot for.

10 MS. COGAN: Thank you.

11 MR. RAMOS: I am assuming this is legal. Jim  
12 Ramos again.

13 On Page III-4 you show the five steps for the good  
14 faith effort. Yet in step number one you say that the  
15 provision of giving you this list on Attachment F satisfies  
16 the requirement to contact the Board. Yet I look at the  
17 disabled veteran business list, and there are nine firms  
18 listed there, and I recognize six as not being on my list.

19 So I don't quite understand how that constitutes,  
20 you know, real recognition. The list that is put out by  
21 OSMB carries something like 225 disabled veteran business  
22 firms now, and six of those firms, I have a list as of 7/31,  
23 and six of those firms are not listed.

24 STAFF SERVICES ANALYST DUNN: Right. This is a  
25 draft RFP and we have deleted some of these firms from the

1 disabled vet list. And I have a new list on my desk that we  
2 are going to try to include, so we are going to update this  
3 in our RFP.

4 MR. RAMOS: Thank you.

5 ASSISTANT CHIEF COUNSEL SPHAR: The list that we  
6 put out ourselves is always going to be less complete, and  
7 that's why the law requires us to go to OSMB, who is the  
8 agency expert at compiling that information.

9 We try to put together what we can in two steps.  
10 One, with respect to not just contractors, you know,  
11 agencies you can contact and there is a lot of local  
12 governments that are heavy into supporting this and they  
13 have lots of lists and so on. The other --

14 MR. RAMOS: But my point, the first step of a good  
15 faith effort is in fact to contact your agency for your  
16 list.

17 ASSISTANT CHIEF COUNSEL SPHAR: You are required  
18 to do that, right. You see, in a sense, that is balancing  
19 the law because it duplicates. It requires you to come to  
20 us when we say that, you know, we don't know much about how  
21 to find these people but there is an agency over here that  
22 knows a lot about it and why don't you talk to them? And  
23 the law makes you also talk to them, OSMB. So we do the  
24 best we can.

25 MR. RAMOS: Well, you see, the rationale behind

1 that law was that every agency would have its particular  
2 minority, women and disabled veterans that was interested in  
3 that particular technical field. And therefore those  
4 agencies would then compile lists that they knew of  
5 qualified people that frequently were used by that agency.

6 ASSISTANT CHIEF COUNSEL SPHAR: Well, that's the  
7 second point.

8 MR. RAMOS: And OSMB --

9 Excuse me.

10 ASSISTANT CHIEF COUNSEL SPHAR: Yes.

11 MR. RAMOS: In OSMB, of course, we have the total  
12 list, but the point was is that that is why the first step  
13 was written into the law. My major concern was that when  
14 you give out something like this in a handout in a forum  
15 like this as a workshop, someone might look at this, these  
16 nine firms and say, ah, these are the nine firms when in  
17 fact six of them are not certified.

18 ASSISTANT CHIEF COUNSEL SPHAR: Actually, some  
19 people tried to make that argument to us last year that we  
20 bounced, and they were upset because they called the three  
21 firms or the nine firms or whatever and they are ignoring  
22 the other requirement to go to OSMB.

23 The point I was about to make is I was saying  
24 there are two reasons to have this. One is to have  
25 organizations and the second reason is what you bring out.

1 We try, as people come to us and say, oh, did you know that  
2 here is another disabled veteran, here is another woman firm  
3 that specializes in what you do, we try to add them to our  
4 list so that we have an updated list.

5 But again, the strange thing is that the law  
6 requires that anybody that is used be certified by this  
7 other agency. So we may know of people but we are not aware  
8 of their current status. Have they applied? Is their  
9 status still good? You know, do they have that  
10 certification at OSMB? So, especially with the disabled  
11 veterans, where you are not allowed to self certify, in a  
12 way it's almost impossible for us to keep knowing whether or  
13 not even the people we're becoming formally aware of that  
14 are experts in our industry, whether or not they are  
15 actually certified or still certified with OSMB.

16 So we try to do both and we have to continue to do  
17 better at the part that we do.

18 STAFF SERVICES ANALYST DUNN: That's why we put on  
19 the top here their current status, that this does not  
20 reflect their current status in regards to being certified.  
21 We had to put that in because we were going by what people  
22 told us at that time and we know it is not up to date. It's  
23 just the best we can do with what we have got at our  
24 fingertips.

25 STAFF SERVICES ANALYST VILLA: Right.



1 Attachment F is the list where contractors have contacted us  
2 or we know of contractors that have done work previously  
3 with the Board and we have asked them to specify if they are  
4 a minority, woman or disabled veteran, but we don't require  
5 them to certify. So if they have told us that is what they  
6 are qualified for, that is where they get put on the list.  
7 We are trying to update it as best we can but, again, that  
8 doesn't preclude you from going to the Office of Small and  
9 Minority Business and requesting their official list.

10 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Okay.  
11 If there is nothing else on the protest, I'd like to move  
12 briefly, quickly through enforcing MBE/WBE participation.  
13 Some people have asked about that, how we are going to  
14 enforce it? We have already touched on that a little bit.

15 We have three basic methods. First, the contract  
16 manager is informed that the contractor should be performing  
17 work with the people specified. You cannot switch  
18 subcontractors at random. You have to get our approval for  
19 that. And they know that they have to get Board approval.  
20 You have to get Board approval to switch your  
21 subcontractors, so if you change, the subcontractor has to  
22 be a MBE/WBE or DVBE. You have to substitute them with one  
23 or compensate by giving more compensatory value of the  
24 contract to a MBE/WBE or DVBE.

25 We are instituting in the future more detailed

1    invoicing instructions that you will have to specify to us  
2    that payments were actually made to MBE/WBE firms so that we  
3    can track on an ongoing basis whether or not you are paying  
4    them and how much you are complying with the percentages.  
5    And then of course the Board and the state always has the  
6    ability to audit. And if we audit you and discover you  
7    didn't use the firms you said you were using, didn't pay  
8    them what you said you paid them, that is a basis for fraud.

9                So that's the basic ways we will be enforcing  
10    MBE/WBE participation after the contract is awarded.

11              Are there any questions about that?

12              Let's move on into another, what is a sensitive  
13    area, was the relationship of subcontractors and MBE/WBE  
14    firms.

15              MR. RAMOS: Excuse me.

16              FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Yes.

17              MR. RAMOS: Jim Ramos.

18              How do you or how does a person notify the Board,  
19    you know, that in fact they are not being used or they are  
20    being used in a different way than they agreed to on the  
21    contract?

22              FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: You  
23    mean the subcontractor?

24              MR. RAMOS: Right.

25              FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: The

1 best they can do is write a letter to the Contracts Office  
2 of the Executive Director. I think that would be the most  
3 expeditious route.

4 The first person you should contact would be the  
5 contract manager if you know who that is. I know sometimes  
6 subs are in the dark about those things, but that would be  
7 the first place to go. But ultimately, if you write to the  
8 Board's Contracts Office or its legal office, even, the  
9 Executive Director --

10 MR. RAMOS: There is no standard procedure that  
11 has been developed at this point?

12 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Not  
13 at this point. We haven't received any real complaints  
14 about that yet.

15 These requirements are fairly new. Many people  
16 don't know they should be bringing this to our attention.  
17 We have heard them through conversations but we have never  
18 had a sub who formally set up "By the way, I never got any  
19 work out of that contract even though I was bid on it."

20 The requirements are still fairly new. But I  
21 think the quickest way would be through the contracts  
22 manager or through our Contracts Office here at the Board.

23 MR. RAMOS: Thank you.

24 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Okay.

25 Susan, do you want to proceed?

1           STAFF SERVICES ANALYST VILLA: I will be doing the  
2 next two sections under Number 5, subcontractors and  
3 minority, women and disabled veterans.

4           Under identifying subcontractor opportunities and  
5 communicating small business availability to the primes, one  
6 of the best ways to become aware of what contracting  
7 opportunities are out there is the State Contracts Register,  
8 and we put a copy of the subscription in the packet so you  
9 will have that. All state agencies are required to  
10 advertise in the State Contracts Register for any contracts  
11 so that's a great place to find out about what is going on.

12           What we did last year and what we hope to do this  
13 year is each contractor or potential contractor who  
14 requested an RFP, that list we sent to everyone else who  
15 requested that same RFP so that the interested parties could  
16 start networking amongst each other to find out who might  
17 possibly want to subcontract. So if you see something  
18 advertised in the Contracts Register, you can request a copy  
19 of the RFP and then subsequently you will be receiving a  
20 copy of who else requested the RFP. So that's something  
21 that we are trying to do to get more information out there  
22 for subs and/or small businesses, minority, women and  
23 disabled veterans or small businesses.

24           Also, which we mentioned before, was the list that  
25 the Board is putting together which is our list that we

1 include in the RFP where contractors have contacted us or we  
2 know contractors who have done business with the Board in  
3 the past who request to be put on our contractor's list.  
4 And we try to update that and add new contract names to it.  
5 So that's available.

6 Those are some of the options that we have out  
7 there for you. That's it.

8 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: I  
9 will conclude this little section with a topic that somebody  
10 suggested we just cover about giving small firms a fair  
11 shot. And not to say I am prejudging on this, but I'd like  
12 to start with saying that I think in many respects that is a  
13 perception and not a reality. I think small firms don't  
14 have an inherent disadvantage. I know that a lot of people  
15 felt that as our contracts got larger, we were biasing  
16 ourself towards larger and larger firms.

17 But I think there are several things that you  
18 ought to keep in mind, especially if you are a small bidder.  
19 Don't be discouraged. We still use many small specialized  
20 contracts. We don't issue two large general consulting  
21 contracts every year. We issue many series of smaller  
22 contracts. Those contracts don't always require very large  
23 diverse staff. It may be a very specialized staff that your  
24 firm can satisfy.

25 On the smaller contracts, quite often, although

1 it's not always the case, especially in these times, there  
2 is less competition on the smaller contracts. They  
3 sometimes attract less bidders. The larger firms with  
4 higher overhead, higher expenses to developing RFPs, might  
5 be less likely to bid on the smaller contracts. So I think  
6 there are still plenty of opportunities for smaller firms  
7 with our contracts. We don't issue all \$1 million or above  
8 type contracts.

9           When staff is reviewing proposals, the size of the  
10 prime really doesn't enter into the picture very much. We  
11 don't really look at it as a Fortune 500 company and assume  
12 that they can do better work than the smaller firm. We look  
13 at the team you have proposed and the individuals that are  
14 going to be on your team and their background and  
15 experience. And whether they are, you know, from a  
16 Fortune 500 in New York or San Francisco or, you know, from  
17 Lodi or somewhere, it really doesn't matter to us that much.  
18 It is who you are proposing and what background they have.

19           Conversely, though, small firms, though, even if  
20 you are small and you are bidding, we do look at your past  
21 work. This is probably one of the bigger problems with  
22 small firms is that you may have a very limited track  
23 record, particularly in the area we are talking about, and  
24 you are trying to get into a new area. But if you have a  
25 good track record and you have a good work history and good

1 reviews from previous work, you will be rated accordingly.  
2 There are no points for size or for how big your letterhead  
3 is or anything like that. It's the quality of the work you  
4 have done in the past that really is the big factor.

5           Something that some people try. We have had  
6 several small bidders that bid with larger firms as  
7 subcontractors even. This is allowable. You can be a small  
8 business and you can bid to get the small business  
9 preference if you are the prime, as long as your firm as the  
10 small business is doing the biggest chunk of the work of  
11 that contract.

12           You can't have a small business do two percent of  
13 the work and the subcontractor is some large corporation  
14 just to get the small bid preference. But as long as you  
15 are a small company and doing the biggest chunk of the work  
16 over the contract, you can still get the five percent  
17 preference.

18           So that gives small businesses an extra slight  
19 advantage too.

20           On our group contracts, that's the big multiple  
21 project contracts we did last year, there was a lot of  
22 concern about that. They weren't exclusively awarded to  
23 large firms. We had awarded those contracts to all  
24 different firms, particularly if we keep our larger  
25 contracts in specific areas.

1           We have several projects all revolving around  
2 landfill liner and cover design. A small firm can carry out  
3 several projects. They just have to demonstrate that they  
4 have the staff through themselves or their subcontractors to  
5 carry that out. And as long as they have the history and  
6 expertise in that field, they can be judged to be qualified.

7           With our large contracts, too, you can have a  
8 subcontractor, even if they are not the prime, carry out the  
9 entire project. If we issued all single project contracts,  
10 I think you'd find that smaller firms will be getting little  
11 bits and pieces, the little grunt work around the contract,  
12 but a larger contract, even if a larger firm gets the entire  
13 contract as prime, there are still opportunities for those  
14 smaller firms to carry out the entire subcontracts on there.  
15 And it may actually be easier and cheaper for a small firm  
16 to bid or to respond to an RFP as a subcontractor as opposed  
17 to doing their own RFP.

18           So I think group contracts may even provide you  
19 additional opportunities, that small firms are not excluded  
20 from bidding on those and some have even gotten those  
21 contracts.

22           We utilize our contractor's list to give everybody  
23 early notification. We try to send out notices of every RFP  
24 to everybody on our list so that you get the maximum  
25 notification possible. As Susan stated, we try to give



1 everybody lists of everybody interested, so all you have to  
2 do is get the RFP and then you will find out everybody else  
3 who is bidding on it. And it should help your networking  
4 ability to form teams. Several small firms with specialized  
5 expertise can look just as much or more attractive than one  
6 large firm bidding on a project, no matter how big it might  
7 be.

8           And I think, although I touched on this before,  
9 that the most important weapon I think you get out of a  
10 small firm is knowledge of the subject. Small companies  
11 that we are not sure of what kind of work they do in the  
12 past, we may not want to take a chance on educating them and  
13 finding out what they are going to do. But if you can  
14 demonstrate that you know about the waste field, you know  
15 about the project involved, you know what we are looking  
16 for, and tailored a good proposal to it, you will look just  
17 as attractive as any other bidders, depending on their size.

18           Something you can do, and I know this is not easy  
19 for every small company to do, particularly if you are not  
20 located in Sacramento, but maybe if you network together you  
21 can accomplish this, is to review our Board agendas, our  
22 agenda packets, show up at the Board and Committee meetings  
23 and get a good feel for what the projects are that we would  
24 be looking for. And the more knowledge you have about what  
25 we are looking for and the staff involved, the better you

1 can write your proposals.

2 I think I will just go right into the next  
3 section. It is out of the same area but it is another point  
4 that has been raised is small firms versus large firms, and  
5 how does the Board view that?

6 To give you an example, we had one RFP that the  
7 one that received the most proposals was awarded to a small  
8 business. They had lots -- was it 20?

9 STAFF SERVICES ANALYST VILLA: Thirty-two.

10 STAFF SERVICES ANALYST DUNN: Thirty-two.

11 FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS:  
12 Thirty-two bids for one proposal, and a small business was  
13 awarded the contract in the end. So you are not hedged  
14 against you, nothing is hedged against you in that respect.

15 Staff looks at past projects and track record more  
16 than anything else. Staff doesn't always go count how many  
17 offices you have got and how much your net clients are and  
18 what your revenue was last year. All that stuff is nice to  
19 know sometimes, but for most of our contracts, we want to  
20 know can you do this job we want done and can you do it fast  
21 and right the first time?

22 And that doesn't necessarily mean you can do it  
23 better because you have got offices from Sydney, Australia  
24 to Oslo. That's not necessarily a factor. We are not  
25 always giving credence to that or extra weight.

1           We look at, you know, is the team you are  
2 proposing appropriate? You can be a small firm. You can  
3 have four, five, six or more subcontractors, each doing  
4 different parts. As long as they are appropriate and they  
5 are the right people, you will get scores. So the size of  
6 your company is not really going to be a big factor as I  
7 think people think it is.

8           Our advice to small companies trying to bid is to  
9 just gain insight on all the issues you are bidding on,  
10 construct a good team, highlight your past experience well,  
11 show everything you have done in a good light. One thing we  
12 have discovered, and that some subcontractors have been  
13 caught in this bind before, is they did work, they never met  
14 the client to begin with, everything passed through the  
15 prime contractor, they had no idea what their product ended  
16 up in and how it was reviewed, so this is probably just good  
17 general advice, but I would review your past clients, not  
18 your primes you worked for, but the clients your primes  
19 worked for and ask them how your work was perceived, and  
20 were there misunderstandings about what you did versus what  
21 somebody else did?

22           That's probably the biggest hurdle. I am sure  
23 most small firms start out being subcontractors, and when  
24 they want to become prime contractors, you have to cross  
25 that hurdle of have you got enough work experience? Well,

1 if you didn't get any reviews back from your prime  
2 contractors that your client gave you, you are pretty much  
3 in the dark as to where you stand.

4 So I think going back and reviewing directly to  
5 the agency or client that you indirectly worked for would  
6 probably be a good thing to do if you can do it so that you  
7 can give us indications of a good track record. And one  
8 thing that would help, but you have to judge the risk, and  
9 this is bid as a prime. You can bid as a prime and be  
10 carried as a subcontractor in somebody else's proposal.  
11 There's no limitations on that.

12 Sometimes just bidding is a way to get yourself  
13 known to us. We see you listed as a subcontractor  
14 somewhere. We may or may not really remember what they said  
15 about you, but if we have to read your proposal and we see  
16 you are a prime and you impressed us, even if you didn't get  
17 that contract, then you become known to us and next time  
18 around you are a more familiar face.

19 So just, I think, bidding as a prime for a small  
20 contractor is probably one of the most effective things you  
21 could do, although I know that carries costs and risks and  
22 everything else. It is something you could consider.

23 So are there any of you small firm people that  
24 would have more questions or have other issues to raise?

25 If not, I think we'd like to quickly draw this

1 first session to a close. I was going to talk at the very  
2 end here briefly about future contract topics.

3 We had hoped that the Board would maybe have  
4 already decided on its allocation of contracts for this  
5 coming year by this point, but they haven't yet. They will  
6 be considering it at the end of this month at the  
7 Administration Committee and tentatively a second Board  
8 meeting here in Sacramento at the end of the month to decide  
9 on the allocation.

10 That will probably be the first time you get to  
11 see a complete list of what the Board may be doing in this  
12 fiscal year. If that goes as according to plan, what it  
13 looks like now we are going to have a wide range of topics  
14 and contracts roughly similar, but not identical, to what we  
15 had last year. And the topics will be slightly different  
16 but they really all are just carrying out further  
17 implementation of the Integrated Waste Management Act. One  
18 will be on market development, landfilling design, science  
19 and mediation and things of that nature. It will probably  
20 look a lot like the topics we had last year although the  
21 projects will all be different.

22 Hopefully, if the Board acts this month, we will  
23 be developing RFPs during October and maybe in November.  
24 Hopefully, our earliest RFPs might appear in the  
25 October 28th issue of the Contracts Register.

1           And with that in mind, we might be awarding  
2 contracts in January or February.

3           So that's our rough outlook for now. It depends  
4 on the Board's action and the staff's development of the  
5 RFPs and things like that. You have a little bit of time to  
6 get ready for that if you are planning on bidding.

7           Any other questions on future topics?

8           I don't have a lot to give you but I can sing and  
9 dance.

10          We will break for lunch and then the next session  
11 is going to be -- I'd like to have it be -- we'd like to  
12 have a much more informal session that is more give and take  
13 and discussion of some issues people raised through your  
14 questionnaires. The schedule or the agenda for that is on  
15 your agenda.

16          We don't necessarily have to stick to it  
17 specifically although we want to just have a free form.

18          If I could ask for a quick show of hands, who  
19 thinks they might be coming back for that session, that will  
20 just give us an idea.

21          (Thereupon hands were raised.)

22          FINANCIAL ASSISTANCE BRANCH MANAGER MEYERS: Okay.  
23 We might rearrange.

24          It will be here in this room. We will have this  
25 room layed out differently. It won't be recorded in the

1 afternoon. It will just be for a discussion for our  
2 purposes.

3 To make it easier, we will be sitting down there  
4 so we don't have to have all this bulky material between us.

5 And the next session is really your chance to give  
6 us ideas and feedback on how you'd like us to do things  
7 differently.

8 And we hope this has been real helpful, and if you  
9 are not coming back, feel free to, you know, ask us  
10 questions later. Remember that the bidders conference  
11 process, the question and answer process, and every RFP has  
12 that, that is your opportunity to get more information and  
13 use those tools as best you can.

14 If it is possible, if you did speak, could you  
15 leave a card for out stenographer, it would be helpful.

16 If not, I think we would like to break and come  
17 back at 1:30 for our second session.

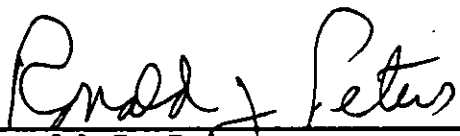
18 (Thereupon the September 10th Contracting Workshop  
19 of the California Integrated Waste Management  
20 Board was concluded at 12:30 p.m.)  
21  
22  
23  
24  
25

CERTIFICATE OF SHORTHAND REPORTER

I, RONALD J. PETERS, a Certified Shorthand Reporter of the State of California, do hereby certify that I am a disinterested person herein; that I reported the foregoing California Integrated Waste Management Board Contracting Workshop in shorthand and thereafter caused my shorthand writing to be transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in the outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand  
this 1<sup>ST</sup> day of October, 1992.

  
\_\_\_\_\_  
Ronald J. Peters  
Certified Shorthand Reporter  
License Number 2780